

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 3. General Enterprise Banking Credit Management
(Key Function – 3.1 Credit Strategies, Policies and Procedures Development)

Title	Enforce implementation of credit policy
Code	109254L4
Range	Monitoring and enforcing compliance related to credit strategies, policies and procedures. This applies to different business units of the bank and both on and off balance sheet exposure.
Level	4
Credit	3 (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"> • Demonstrate proficient and in-depth understanding of the details of credit policy in order to identify the consequences of non-compliance; • Understand risk assessment systems and management information systems in order to decide appropriate actions to measure credit risks inherent in all on and off balance sheet activities. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Monitor day-to-day activities in order to ensure compliance with the established credit risk policies and procedures; • Provide appropriate training to ensure staff involved in credit activities are competent and fully understand the risk management strategy of the bank; • Conduct refresher training or Continuous Professional Development (CPD) activities to staff to update them with the latest development in credit related issues; • Review policies on segregation of staff's duties on credit related work so as to prevent operational risk; • Design appropriate remuneration policies and other reward system which does not entail unduly risk-taking behaviours of staff for generating short-term profits. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Identify any non-compliance incidents promptly and carry out immediate remedial actions to minimize loss to the bank; • Identify policy violations and conduct investigation to find out the root cause; • Consult staff who breached the credit policy and determine follow-up actions, e.g. counselling, retaining or disciplinary actions etc.
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Carrying out of all different kinds of measures to ensure all credit related activities are implemented in accordance with the established guidelines of the bank. No non-compliance incident is allowed; • Carrying out different kinds of training / briefing activities to ensure staff's understanding in credit policies and procedures of the bank. The activities should be tailored to the understanding level of different staff.
Remark	