

Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 5. Internal Control and Compliance
(Key Function – 5.1 Compliance Management)

Title	Develop internal policies, guidelines and standards for different operations to comply with regulatory requirements
Code	109319L5
Range	Setting of compliance policies, guidelines and standards for different operations of the bank. This applies to different regulations related to the banking industry.
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"> • Demonstrate professional knowledge in banking law in order to identify the requirements of different regulations; • Possess knowledge in rules and regulations related to banking operations (e.g. framework issued by Basel Committee on Banking Supervision and requirements of HKMA Supervisory Policy Manual, etc.) and apply it to evaluate the relevant regulations and identify the effects on the bank’s policies, procedures and operation as appropriate, etc. <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate the businesses / operations of the bank in order to assess whether they can fulfil the regulatory requirements; • Review the existing level of compliance risks and identify possible scenarios of breaches of law in order to formulate control measures; • Review the probability and possible consequences of non-compliance when designing the control measures; • Develop the scope and objective of internal standards based on the review findings; • Specify the handling methods of dealing with different scenarios of non-compliance based on the estimated consequences and impacts to the bank; • Design effective internal reporting systems to provide management with updated information on compliance; • Establish escalation procedures for reporting different types of non-compliance issues to internal parties or regulatory bodies. <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> • Formulate internal standards by stating practices acceptable / required by the bank and ensure the standards set are in proportionate with the level of risk exposure; • Propose internal compliance policies, guidelines and standards which can maintain a proper balance between compliance with statutory requirements and operational efficiency; • Take actions to ensure existing framework is adequate to safeguard the bank from regulatory risks.
Assessment Criteria	The integral outcome requirements of this UoC are:

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	<ul style="list-style-type: none">• Development of internal standards on different operations to fulfil the regulatory requirements. These should be based on analysis on the regulatory requirements and current situations (e.g. policies, procedures, etc.) of the bank;• Development of control measures on different operations to manage compliance risks. These should be based on analysis on the regulatory requirements and current situations (e.g. policies, procedures, etc.) of the bank.
Remark	