

**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	Assess compliance risk of different operations
Code	109321L5
Range	Assessing the probability and consequences of breaches of law and / or any other internal rules and regulations. This applies to compliance with all regulations related to the banking industry and activities conducted in different areas of the bank.
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"> <li>• Demonstrate professional knowledge in banking law in order to interpret and analyze ordinances and regulations related to banking;</li> <li>• Possess the knowledge in the trend of non-compliance activities and evaluate the common ways in breaching rules and regulations (e.g. money laundering) and analyze the implications to the bank.</li> </ul> <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Conduct comprehensive analysis on different businesses and operations of the bank in order to identify areas vulnerable to non-compliant activities;</li> <li>• Estimate the probability of breaches of law and / or any other internal rules and regulations by evaluating the current systems, policies and procedures;</li> <li>• Calculate the impacts of non-compliance under different scenarios based on the assessment of possible consequences and costs;</li> <li>• Conduct review on risk assessment results according to regular interval or when specific events break out in order to ensure the validity of the results.</li> </ul> <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Recommend measures in mitigating compliance risks identified in the risk assessment process;</li> <li>• Conduct comprehensive risk assessment on external and internal environment in order to identify threats or events that may trigger non-compliance.</li> </ul>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Conducting assessment to specify the probability and severity of breaches of law and / or any other internal rules and regulations in different areas of the bank. These should be based on analysis on the regulatory requirements and current situations (e.g. policies, procedures, etc.) of the bank;</li> <li>• Provision of recommendations on mitigating compliance risk based on analysis of risk assessment results and threats to compliance.</li> </ul>
Remark	