

**Specification of Competency Standards**  
**for the Banking Industry**  
**Unit of Competency**

Functional Area - 5. Internal Control and Compliance  
(Key Function – 5.4 Legal Advice)

Title	Formulate legal framework and policies on handling suspicious / illegal activities of the bank
Code	109342L6
Range	Formulation of bank-wide policies in handling suspicious and illegal activities. This applies to different types of suspicious and illegal activities detected at different areas of the bank.
Level	6
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 specialized knowledge across different areas of law in order to interpret regulations related to the bank;</li> <li>• Possess sound knowledge in the trends of illegal and fraudulent case and conduct research to project the future development of the banking industry in order to identify the future trends in crime / fraud related to the banking industry;</li> <li>• Demonstrate an in-depth understanding of the concepts and techniques on handling suspicious cases to conduct research on common illegal activities taking place in the banking industry for the purpose of formulating suitable and sufficient guidelines for staff.</li> </ul> <p>2. Applications</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Critically evaluate the current policies and procedures of different banking operations in order to identify the high risk areas for suspicious / illegal activities;</li> <li>• Estimate the possible impacts on the bank and evaluate the regulatory requirements in order to provide guidelines for staff who may come across suspicious / illegal activities;</li> <li>• Formulate policies in investigating suspicious banking transactions of clients' account after analysing regulatory requirements and operations of the bank;</li> <li>• Formulate policies in investigating or regulating integrity of activities of the bank or individual employees;</li> <li>• Develop clear specification on the authority, roles and responsibilities of different levels of staff when handling suspicious / illegal activities.</li> </ul> <p>3. Professional Behaviour and Attitude</p> <p>Be able to:</p> <ul style="list-style-type: none"> <li>• Analyse the policies and existing operations proactively to formulate measures in reporting, recording and information dissemination to facilitate the handling of frauds, crimes and other irregularities;</li> <li>• Develop and revamp training programmes related to fraud awareness and knowledge in relevant counter measures after analysing the existing skills level and knowledge of employees.</li> </ul>
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> <li>• Formulation of policies and guidelines on handling suspicious / illegal activities and corresponding enforcement strategies in order to protect the interest and reputation of the bank;</li> </ul>

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	<ul style="list-style-type: none"><li>• Development of guidelines in handling suspicious / illegal activities based on the consolidated findings across different research on banking development, trends in banking crimes and operations of the bank, etc.</li></ul>
Remark	