

Investment Platform > Product Sourcing

Title	Monitor the situation of third party product providers under different conditions
Code	106818L5
Range	Monitoring the situation of third-party product providers in relation to requirements specified in legal / contractual documents. This applies to different kinds of investment products for private banking clients.
Level	5
Credit	4 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Evaluate different approaches in monitoring external product vendors Be able to: <ul style="list-style-type: none"> • Demonstrate professional knowledge in risk management in order to structure an appropriate approach in monitoring the third-party product providers • Analyze risk management policies of the bank to ensure performance of product providers can meet with the bank's standards • Evaluate the agreements with the third-party product providers in order to determine whether they can fulfill the contractual requirements 2. Monitor counter-party risks Be able to: <ul style="list-style-type: none"> • Evaluate the volatility in the economic and market environment and assess whether there is any impact on the product providers (e.g. credit rating, financial data) • Monitor positions of the bank and risk limit's utilization of various risks measures (e.g. stop-loss limits, exposure limits), identify circumstances of limit violation and undertake appropriate actions • Conduct on-going due diligence and assessment on the product providers, aggregate different data (e.g. probability of default, exposure at default, loss given default) to identify signals for potential problems and undertake appropriate actions, e.g. revising counterparty's limits or collateral requirements, reducing exposure to downgraded counterparties, etc. 3. Evaluate quality of products developed Be able to: <ul style="list-style-type: none"> • Evaluate and monitoring product providers to ensure delivery on-schedule, on-scope, on-budget and to quality • Review and check the performance (e.g. service level, risk management) of products provided to ensure meeting of client needs • Review compliance issues to ensure fulfillment of statutory requirements and bank's internal standards
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Conducting on-going monitoring on third-party product providers and successfully control the risk exposures to the bank. The process should taken into considerations factor such as market volatility, finance data of the counterparty and risk utilization limits of different measures, etc.
Remark	