

Client Management, Advisory and Support > Client Onboarding

Title	Develop investment mandates / agreements with clients to define the relationship
Code	106851L6
Range	Developing investment mandates/ agreement with clients to establish and define the relationship before providing services to clients. This applies to different segments of private banking clients and across different types of investment products / service
Level	6
Credit	5 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Analyze requirements in establishing client mandates / agreements <p>Be able to:</p> <ul style="list-style-type: none"> • Evaluate critically the applicable regulatory requirements and bank's policies in order to define the scope of services and responsibilities of each party • Demonstrate specialized understanding in private banking business in order to define the scope of services and responsibilities of each party 2.1. Specify the investment objectives and goals <p>Be able to:</p> <ul style="list-style-type: none"> • Confirm with clients about the objectives and goals of the investment portfolio and specify in the mandates / agreements • Analyze the investment objectives of clients and obtain agreement on the amount of assets to be invested in the portfolio • Define the expected return of the portfolio • Specify the risk tolerance and other requirements of clients, e.g. liquidity requirements, time horizon of the investment 2.2. Specify strategies to be employed <p>Be able to:</p> <ul style="list-style-type: none"> • Agree with clients on the overall asset allocation targets in accordance with the investment objectives • Develop investment guidelines for clients in accordance with their objectives, risks profile and preferred investment style • Formulate risk management strategy, e.g. actions to be taken when losses fall outside acceptable range • Agree with clients on the investment selection criteria, e.g. asset classes, geographic region • Define clearly the scope of services as well as the rights, obligations and responsibilities of each party in the client mandates / agreements • Confirm with clients regarding the content listed in client the mandates / agreements and document the underlying rationale for the decisions 3. Maintain professionalism <p>Be able to:</p> <ul style="list-style-type: none"> • Communicate with clients effectively to ensure they understand and agree with the terms and conditions laid down in the mandates / agreements • Provide a copy of the mandate / agreement to clients and obtain their acknowledgment of receipt • Ensure compliance with applicable regulatory requirements on selling investment products to clients in different regions
Assessment Criteria	<p>The integral outcome requirements of this UoC are:</p> <ul style="list-style-type: none"> • Development of an investment mandate / agreement with clients to specify important information related to the relationship. The content should be developed based on analysis on regulatory requirements and the bank's policies.
Remark	