

Specification of Competency Standards of the Insurance Industry

Unit of Competency

Functional Area: Legal & Compliance

Title	Establish compliance monitoring system
Code	105580L5
Range	This unit of competency is applicable to those who are responsible for establishing compliance monitoring system. It involves assessing implications of compliance requirements, rules and regulations set forth by relevant regulatory bodies on day-to-day operations, integrating compliance requirements with operations, designing compliance monitoring framework and respective reporting lines, determining frequency of compliance inspections and establishing non-compliance reporting guidelines.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Possess knowledge in establishing compliance monitoring policy <ul style="list-style-type: none"> • Comprehend corporate compliance and risk management policies • Fully aware of regulatory requirements in respect of the insurance industry, including all of the relevant ordinances and statutory regulations; guidance notes and circulars issued by the regulators; industry standards, guidelines and codes of practice issued by industry bodies • Familiar with operations of business units 2(a). Establish compliance monitoring system <ul style="list-style-type: none"> • Assess implications of compliance requirements, rules and regulations set forth by relevant regulatory bodies on day-to-day operations • Integrate compliance requirements with operations • Design compliance monitoring framework for business units • Establish reporting lines for compliance implementation • Establish guidelines for reporting of non-compliance activities • Develop inspection mechanism • Determine frequencies of compliance inspection for different units • Encourage units to report potential compliance risks involved in their operations 2(b). Implement compliance monitoring system <ul style="list-style-type: none"> • Educate business units on compliance monitoring mechanism • Collect up-to-date compliance-related data • Evaluate effectiveness of compliance monitoring system • Fine-tune monitoring system based on evaluation results 3. Ensure compliance monitoring system is in line with corporate compliance policy and regulatory requirements <ul style="list-style-type: none"> • Design compliance monitoring system with specifications on report and inspection mechanism • Establish implementation and non-compliance reporting guidelines • Evaluate and adjust compliance monitoring system based on analysis of compliance-related data.
Assessment Criteria	<p>The integral outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Able to develop compliance monitoring system integrating regulatory requirements with operation • Able to establish inspection mechanism and guidelines for compliance implementation • Able to review and fine-tune effectiveness of compliance monitoring system based on evaluation results.
Remark	This unit of competency is also applicable to general insurers, life insurers and broker.