



香港銀行學會

The Hong Kong Institute of Bankers

# ENHANCED COMPETENCY FRAMEWORK on Operational Risk Management (ECF-ORM)

## **Certified Operational Risk Management Professional**

(The Professional Qualification "Certified Operational Risk Management Professional (CORP)" is pitched at QF Level 5.)\*

**CORP**

## **Associate Operational Risk Management Professional**

(The Professional Qualification "Associate Operational Risk Management Professional (AORP)" is pitched at QF Level 4.)\*

**AORP**

### Remarks:

\* Subject to the final approval of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the appointment of PQAA with expanded scope of accreditation status under QF by the Secretary for Education

### More programme details:



## Enhanced Competency Framework for Banking Practitioners

With an aim to support capacity building and talent development for banking professionals, the Hong Kong Monetary Authority (HKMA) works together with the banking industry to introduce an industry-wide competency framework - Enhanced Competency Framework (ECF) for Banking Practitioners.

The Hong Kong Institute of Bankers (HKIB) is the programme and qualification provider for the ECF on Operational Risk Management, with the following objectives:

- To develop a sustainable pool of operational risk management practitioners for the banking industry; AND
- To raise and maintain the professional competence of operational risk management practitioners in the banking industry.

## Overview of the Hong Kong Institute of Bankers

The Hong Kong Institute of Bankers (HKIB) has been serving the local banking community in the provision of professional training and certification services since 1963. HKIB is the first not-for-profit institution in Hong Kong to issue banking qualifications up to QF Level 6 under the HKQF, and was appointed by the Education Bureau as a Professional Qualifications Assessment Agency in August 2020. With an objective to maintain and further develop the territory's status as an international financial centre, the Institute works with the support of banks, regulators, financial institutions, academic institutions and various professional bodies to provide local banking practitioners with professional training and development opportunities.

In view of the changing landscape of the banking and financial services industry in Hong Kong and mainland China, as well as on a global scale, the importance of continuing to enhance the standards of professional development has gained increased attention. The HKIB endeavours to provide and enhance its training and development products in order to equip its members with essential knowledge and skills that meet the industry's needs.

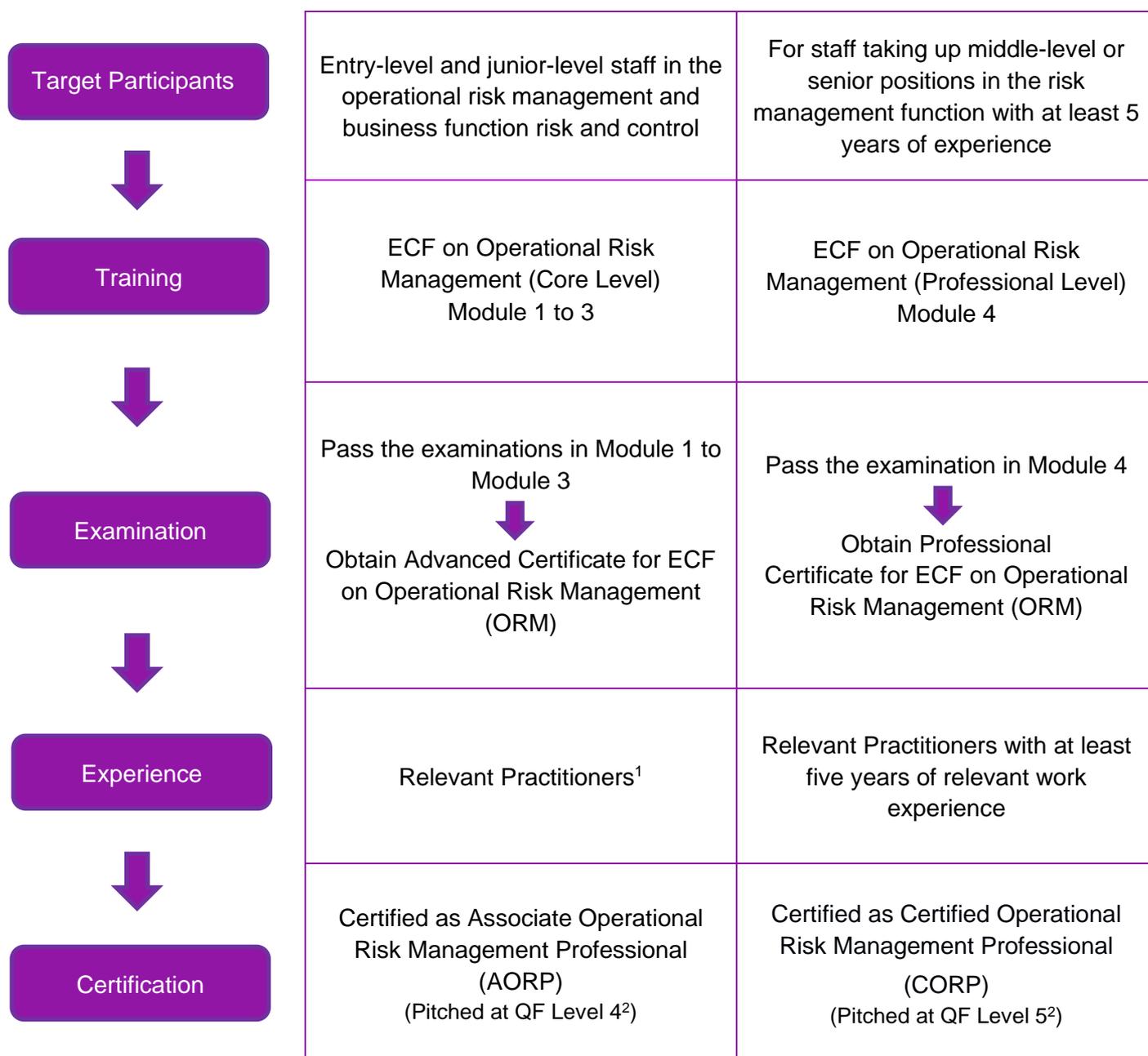
## Qualifications Framework

The Professional Qualification "Associate Operational Risk Management Professional (AORP)" is pitched at QF Level 4.

The Professional Qualification "Certified Operational Risk Management Professional (CORP)" is pitched at QF Level 5.

*Remarks: Subject to the final approval of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the appointment of PQAA with expanded scope of accreditation status under QF by the Secretary for Education*

## Becoming an Associate Operational Risk Management Professional (AORP) / Certified Operational Risk Management Professional (CORP)



<sup>1</sup> Relevant Practitioners are persons engaged by AIs undertaking operational risk management and business function risk and control function for corporations ranging from large corporates to small and medium-sized enterprises in a variety of industry sectors including financial institutions.

<sup>2</sup> Subject to the final approval of the Hong Kong Council for Accreditation of Academic and Vocational Qualifications and the appointment of PQAA with expanded scope of accreditation status under QF by the Secretary for Education.

## **Certified Individual (CI)**

AORP/CORP holders will be registered as CI and included in a public register on HKIB website. The CI Register posted on HKIB website enables the public recognition of AORP/CORP holders. To ensure your Professional Qualification reflected in the CI register, you are required to maintain a valid membership status with HKIB.

## **Continuing Professional Development (CPD)**

All AORP/CORP holders are required to comply with the following annual Continuing Professional Development (CPD) requirements in order to maintain the Professional Qualifications.

1. Undertake a minimum of 12 CPD hours for each calendar year (ending 31 December), of which
2. At least six CPD hours must be earned from activities related to topics of compliance, legal and regulatory requirement, risk management and ethics.

For more details, please refer to Continuing Professional Development (CPD) Scheme on HKIB Website. (Home > Membership > Individual Members > HKIB CPD Requirements)

# ECF on Operational Risk Management (Core Level)

## Programme Content

### Module 1 – Ethics and Corporate Governance in Banking Industry

#### **Learning Outcomes**

Upon completion of this module, candidates should be able to

- Identify and apply the principles, requirements, and management of business ethical situations in the second line of defence in the context of broader risk environment encountered in the banking industry
- Explain the organizational structures and exercise the requirement under the regulatory landscape in building an effective risk management framework to effective compliance
- Identify different roles associated in building a culture for effective management of governance, risk, and compliance in financial institution
- Apply regulatory requirement and effective compliance control on daily duties by demonstrating an understanding of and adopting the requirement related to corporate governance

#### **Module Outline**

- Business Ethics
- Ethics and the Corporation
- Risk Management: Principles and Concepts
- The Regulators, Law and Regulation
- Corporate Governance in Banks
- Remuneration and Appointment of Board Members, Chief Executive and Managers
- Internal Control and Compliance in Banking

### Module 2 – Regulatory Framework and Compliance in Banking Industry

#### **Learning Outcomes**

Upon completion of this module, candidates should be able to

- Understand and explain the role and function of financial regulatory framework specifically the role of the HKMA and various other regulators including SFC and IA in regulating the banking industry
- Describe and apply the Banking Ordinance and other relevant laws applicable to banks, as well as the HKMA statutory guidelines and guidance notes, in the day to day running of various businesses of a bank
- Design and implement systems and controls for banks to ensure all legal and regulatory requirements are satisfied
- Assess compliance related operational risk indicators, assessment of the risks and based on the legal and regulatory requirement, develop strategies to mitigate the risks maintaining compliance position of the bank at the tolerance level
- Monitor and identify problems and issues in various banking businesses and making informed judgement and propose solutions in compliance with all the legal and regulatory requirements

#### **Module Outline**

- Overview of Regulatory Regime for Bank in Hong Kong
- Banking Supervision, Internal Policies, Standards and Guidelines
- Bank Culture Reform
- Major Statutory Requirements for Bank in Hong Kong
- Regulatory Objectives and Relevant Mandates
- Introduction to International Regulation
- Registration and Licensing Requirements
- Regulatory Breach and Operational Risk Incident Management
- Future Development in Banking and the Relevant Regulatory Requirements
- Case Studies – Compliance Challenge

## Module 3 – Fundamentals of Operational Risk Management and Risk Governance

### **Learning Outcomes**

- Upon completion of this module, candidates should be able to
- Understand the objectives and the types of Operational Risk Management
  - Establish solid operational risk governance, define clear roles and responsibilities and support risk culture in the organization
  - Apply and practice the operational risk principles and define the operational risk appetite
  - Execute the operational risk assessment, measurement and reporting
  - Understand and integrate with technology, resiliency and enterprise risk assessment

### **Module Outline**

- Overview of Operational Risk
- Operational Risk Framework and Governance
- Operational Risk Principles and Appetite
- Operational Risk Assessment, Measurement and Reporting
- Technology, Resiliency and Enterprise Risk Assessment
- Integrated Case Studies and Best Practices

## Entry Requirements

The programme is open to both members and non-members of HKIB. Candidates must fulfil the stipulated minimum entry requirements with:

- Students of Associate Degree (AD)/Higher Diploma (HD) in any disciplines (QF L4); OR
- Equivalent qualifications or above; OR
- Mature applicants<sup>3</sup> with either at least three years of work experience in banking and finance or equivalent with a recommendation from the employer.

## Medium of Instruction

- Training is delivered in classroom setting in either Cantonese or English supplemented with English materials.
- All the examination questions are set in English only.

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<sup>3</sup> Mature applicants (aged 21 or above) who do not possess the above academic qualifications but with relevant banking experience and recommendation from their employers will be considered on individual merit.

# ECF on Operational Risk Management (Professional Level)

## Programme Content

### Module 4 – Advanced Operational Risk Management

#### **Learning Outcomes**

Upon completion of this module, candidates should be able to

- Develop and establish operational risk management frameworks and associated policies and procedures
- Evaluate the operational risks encountered by different business units of the AI and establish effective mitigating controls
- Manage operational risks by using risk management control tools, e.g. risk control self-assessment (RCSA) and key risk indicators (KRIs)
- Develop risk control measures by using scenario analysis and stress testing to identify potential operational risk events and assess their potential impact
- Review the risk profile of the AI/business function and apply operational risk modelling to quantify and predict operational risks
- Compile the dashboards and metrics to measure and analyse operational risks within different business units
- Develop business continuity plan and recovery strategy
- Build and promote a risk focused culture within the AI/within the business function
- Propose strategic operational risk advice and remediation actions to senior management on findings of operational risk events
- Design and deliver operational risk training to business units

#### **Module Outline**

- Operational Risk Assessment Methodology and New Products Risk Assessment
- Scenario Analysis and Stress Testing
- Key Risk Indicators
- Capital Requirements for Operational Risk
- Risk Control Self-Assessment
- Operational Risk Events
- Regulatory and Supervisory Frameworks
- Contingency, Business Continuity and Recovery Planning
- Risk Culture, Awareness and Key Components of Successful Operational Risk Management Implementation
- Operational Risks Related to the Key Areas for Future Banking
- The Future and Challenges of Operational Risk Management
- Integrated Case Studies and Best Practices

## Entry Requirements

The Programme is open to both members and non-members of HKIB. Candidates must fulfil the stipulated minimum entry requirements with:

- Advanced Certificate for ECF on Operational Risk Management (ORM) awarded by HKIB; OR
- Grandfathered for ECF on Operational Risk Management (Core Level) by HKIB.

## Medium of Instruction

- Training is delivered in classroom setting in either Cantonese or English supplemented with English materials
- All the examination questions are set in English only.

## Application

Email : [application@hkib.org](mailto:application@hkib.org)

In person/Mail: 3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong

Please visit HKIB website for application details.

## General Enquires

Tel : (852) 2153 7800

Email : [cs@hkib.org](mailto:cs@hkib.org)

Website : [www.hkib.org](http://www.hkib.org)

Address : 3/F Guangdong Investment Tower, 148 Connaught Road Central, Hong Kong