

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

---

### Introduction

This document is developed to provide more specific guidelines for the Certification application of the **Enhanced Competency Framework on Operational Risk Management (ECF-ORM)**. It includes information related to (A) Eligibility Criteria, (B) Application Procedure and (C) Recertification Arrangement for the application(s) of the following professional qualifications:

#### Core Level

- Associate Operational Risk Management Professional (AORP)

#### Professional Level

- Certified Operational Risk Management Professional (CORP)

### A. Eligibility Criteria

#### 1. Relevant Practitioner

The ECF-ORM is targeted at “**Relevant Practitioners (RPs)**”, engaged by an **Authorized Institution (AI)**<sup>1</sup>. The ECF-ORM is intended for staff whose primary responsibilities are performing operational risk governance, operational risk identification and assessment, operation risk monitoring and reporting, operational risk control and mitigation, and business resiliency and continuity planning.

Specifically, it is aimed at RPs located in the Hong Kong office of an AI who perform operational risk management job roles. The definition of RPs takes into account differences among AIs in how operational risk management practitioners are assigned within different organisational structures. Functional roles, rather than the functional titles of staff members, are considered when assessing the qualification of RP. To facilitate the determination of whether a staff member falls under the scope of RPs, please refer to the key roles/ tasks outlined in Annex 1 as per the HKMA’s circular on “[Guide to Enhanced Competency Framework on Operational Risk Management](#)” dated 18 December 2020.

---

<sup>1</sup> An institution authorized under the Banking Ordinance to carry on the business of taking deposits. Hong Kong maintains a Three-tier Banking System, which comprises banks, restricted license banks and deposit-taking companies. Authorized institutions are supervised by the HKMA.

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

---

It should be noted that the ECF-ORM is not intended to cover staff members performing the following functions:

- (a) Practitioners performing cybersecurity roles within an AI as they are subject to the ECF-Cybersecurity. Please refer to the HKMA circular on [“Guide to ECF on Cybersecurity”](#) for details of these roles.
- (b) Practitioners currently performing corporate and administrative services within an AI, including (but not limited to) human resources, IT, corporate security and marketing.
- (c) Staff in the operational risk management functions within an AI who are performing solely clerical and administrative duties or other incidental functions.
- (d) Staff in the legal/ compliance or the internal audit function of an AI (it should be noted that Core Level and Professional Level qualifications and/or grandfathering can be achieved through internal audit experience related to operational risk management and controls within an AI).
- (e) Senior management or relevant risk committee members (e.g. operational risk committee members) other than the manager or person-in-charge of the operational risk management department.

For the avoidance of doubt, a staff member is not required to work full time in the operational risk management function or perform all of the roles specified in the job description in order to be classified as an RP. AIs are expected to adopt a principles-based approach when determining whether a staff member with multiple job roles falls within the definition of RPs for the ECF-ORM by assessing the significance of the operational risk management role performed by the staff member. AIs are expected to justify their decisions made in this regard.

Please refer to HKMA’s circular on [“Guide to Enhanced Competency Framework on Operational Risk Management”](#) dated 18 December 2020 for more details.

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

---

### 2. Other Certification Requirements

(a) **AORP:**

- Completed Module 1 to Module 3 of the ECF-ORM Core Level training programmes and passed the examinations. RPs who have passed the training programmes as specified in Annex 2 of the [“Guide to Enhanced Competency Framework on Operational Risk Management”](#) are eligible to apply for exemption on Module 1 and/or Module 3; or
- Grandfathered for ECF-ORM (Core Level)

(b) **CORP:**

- Attained ECF-ORM (Core Level) plus successful completion of Module 4 of the ECF-ORM Professional Level training programme and passed the examination, plus 5 years of relevant experience\* in operational risk management, business function risk and control gained from AIs and/or non-bank financial institutions as specified in Annex 1 of the [“Guide to Enhanced Competency Framework on Operational Risk Management”](#), and/or internal audit (related to operational risk management and controls within an AI). The 5 years of relevant work experience\* required for CORP certification should be accumulated within the 10 years immediately prior to the date of application for certification, but it does not need to be continuous; or
- Grandfathered for ECF-ORM (Professional Level)

*\*In general, HKIB will consider whether the nature of work experience is substantially the same as that described in the operational risk management roles 1 and 2 in Annex 1 of the [“Guide to Enhanced Competency Framework on Operational Risk Management”](#). Relevant work experience may be obtained from the AIs and/or non-bank financial institutions. As for work experiences related to operational risk management gained from other non-banking industries, they will be considered on a case-by-case basis.*

## **Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)**

---

### **B. Application Procedure**

#### **1. Please follow the application procedure below:**

- (a) Complete all the necessary fields in the relevant Certification Application Form for ECF-ORM, including applicant's signature and HR endorsement in relevant sections.
- For Core Level: ORM-G-023
  - For Professional Level: ORM-G-025
- (b) Obtain endorsement from the Human Resources Department (HR) of the concerned Authorized Institution(s) with signature of Head of HR or equivalent and company chop on the HR Verification Annex of the above Application Form. **Applications can only be accepted with HR endorsement included.**
- (c) Applicants are required to fill in **ONE** completed HR Verification Annex form for **EACH** relevant position/functional title in the application.

Als are expected to support their staff's application for certification. Regarding information related to the RPs' previous employment(s), current employer is encouraged to provide necessary assistance to the RPs in the latter's applications for ECF certification (e.g. by confirming whether such information is consistent with the curriculum vitae provided by the RP at the time of job application).

If required, the HKIB may request applicants to provide employment records or additional information to substantiate their applications.

- (d) Read the [Privacy Policy Statement](#) set out on the HKIB's website before submitting applications.
- (e) Send the completed Application Forms with HR department's endorsement, relevant supporting documents (e.g. copy of your HKID/Passport and copies of the examination result(s)) and payment evidence to the HKIB.

## **Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)**

---

### **2. Fee Payable**

- A **Non-refundable** fee is required for **AORP/CORP** certification application.
- For details, please refer to the Fee Table of the respective ECF which is available on the HKIB's website.

### **3. Payment Method**

- (a) Paid by Employer.
- (b) A crossed cheque or e-cheque made payable to "The Hong Kong Institute of Bankers". (Post dated cheques will not be accepted).
- (c) Credit card (Visa or Mastercard).

### **4. Submission of Application**

Please complete and submit the **SIGNED** application form together with the required documents via email to [cert.gf@hkib.org](mailto:cert.gf@hkib.org) or by post/ in person to The Hong Kong Institute of Bankers (HKIB) at the following address:

"Certification Application for ECF-ORM"

Department of Professional Assessment and Certification

The Hong Kong Institute of Bankers

3/F Guangdong Investment Tower

148 Connaught Road Central, Hong Kong

***Note: Please ensure sufficient postage is provided when sending out the required documents.***

## **Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)**

---

### **5. Approval and Election**

- (a) The certification processing time, including the election process done by the HKIB committee members, will require **approximately 2 months**. If grandfathering is also applied together with certification by using the combined application form, the processing time will be **approximately 3 months**.
  
- (b) Upon the successful completion of the certification process, **AORP/CORP** holders will be registered as **Certified Individuals (CI)** and be included in a public register on the HKIB's website. The HKIB will also grant the holder a professional membership. **AORP/CORP** professional qualification holders are then entitled to print the professional qualification on their business cards and curriculum vitae to signify their professional excellence.
  
- (c) Besides, the professional qualification holders' names will also be presented on the HKIB website and published in the Institute's journal "Banking Today" and Annual Report.

## **Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)**

---

### **C. Recertification Arrangement**

1. Subject to the HKIB membership governance, if the applicant wants to maintain his/her **AORP/CORP** professional qualification, he/she is required to renew his/her certification annually and maintain a valid membership status with the HKIB. The applicant must also be an RP who has met the annual **Continuing Professional Development (CPD)** requirements and pay recertification fee.
2. **AORP/CORP** holders are bound by the prevailing rules and regulations of the HKIB as stipulated in the HKIB Members' Handbook. **AORP/CORP** holders are required to notify the HKIB of any material changes in their applications for recertification, including their contact details. The HKIB may investigate the statements **AORP/CORP** holders have made with respect to their applications, and that they may be subject to disciplinary actions for any misrepresentation (whether fraudulent and otherwise) in their applications.
3. To maintain ongoing professionalism and standards, both **AORP/CORP** holders are required to undertake a minimum of **12 CPD hours** each calendar year (ending 31 December) for the highest professional qualification only. At least **6 CPD hours** must be earned from activities related to topics of compliance, legal and regulatory requirements, risk management and ethics. Any excess CPD hours accumulated within a particular year cannot be carried forward to the following year.
4. RPs are required to self-declare their CPD compliance to the HKIB at the time of recertification. Documentary evidence should be kept for random audit by the HKIB. The minimum CPD hours requirements will be subject to periodic review in light of the latest developments in the banking sector. For details, please refer to the HKIB's website (<https://www.hkib.org>).
5. The recertification of **AORP/CORP** is subject to fulfilment of the annual CPD requirements starting from the calendar year (**from 1 January to 31 December**) following the year of certification.
6. The annual CPD requirements are applicable to RPs who gained the designation by trainings and examinations or grandfathering.

## **Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)**

---

7. The CPD requirements are waived in the first calendar year (**ending 31 December**) of certification.

For the avoidance of doubt, RPs who are captured under multiple ECFs are only required to fulfil the CPD hours for one of his/her certifications per year (i.e. whichever is greater).

--END--



## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

### Annex 1 - ECF-ORM: Key Roles and Tasks for Relevant Practitioners

(Quoted from the Annex 1 [“Guide to Enhanced Competency Framework on Operational Risk Management”](#))

	Role 1 – Operational Risk Management	Role 2 – Business Function Risk and Control
	<b>Core Level</b> <i>(For entry-level and junior-level staff with 0-5 years of experience)</i>	
<b>Examples of functional title (for reference only)</b>	Operational risk analyst, assistant operational risk manager	
<b>Key tasks</b>	<ol style="list-style-type: none"> <li>1. Assist in conducting operational risk monitoring duties (e.g. monitoring operational risk indicators), reviewing and updating operational risk policies, guidelines and procedures, and handling of operational risk events</li> <li>2. Assist in conducting operational risk control self-assessments (i.e. bottom up process to identify and evaluate risks and associated controls)</li> <li>3. Design and test controls on operational risks, with oversight and input from line managers</li> <li>4. Assist in performing operational risk assessments (i.e. top down assessment of the inherent risk and any controls that may exist)</li> <li>5. Assist in developing and implementing operational risk mitigation plans and in the roll-out of strategic level governance</li> <li>6. Assist in identifying compliance and internal control issues, and monitor the ongoing progress of remedial actions</li> <li>7. Assist in preparing operational risk reports, dashboards and metrics</li> <li>8. Assist in promoting positive risk culture and risk awareness across the AI/ within business units</li> <li>9. Assist in preparing training materials and organising training on operational risk for staff</li> </ol>	

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

	Role 1 – Operational Risk Management	Role 2 – Business Function Risk and Control
	<b>Professional Level</b> <i>(For staff taking up middle-level or senior positions in the risk management function with 5+ years of experience)</i>	
<b>Examples of functional title (for reference only)</b>	Operational risk manager	Business risk control manager, in-business control manager, branch operation manager
<b>Key tasks</b>	<ol style="list-style-type: none"> <li>1. Manage operational risks and formulate, review and update operational risk policies, guidelines, processes and procedures throughout the AI</li> <li>2. Develop and review comprehensive policies and procedures for crisis management, including but not limited to factors triggering a crisis, escalation mechanisms, involvement of relevant functions, and external and internal approaches to handling the crisis</li> <li>3. Initiate, manage and execute risk governance, internal controls and processes with the overall objective of operational risk management, control awareness and enhancement to operational efficiency. Ensure full compliance with policies and regulatory requirements</li> <li>4. Maintain oversight and monitoring of the operational risk management system and the quality of the generated operational loss data</li> <li>5. Conduct operational risk control self-assessments (i.e. bottom up process to identify and evaluate risks and associated controls), or analyse and challenge the self-assessment results if the self-assessments are conducted by Role 2 (whichever is applicable)</li> <li>6. Conduct operational risk assessments to identify, assess, review, monitor and</li> </ol>	<ol style="list-style-type: none"> <li>1. Conduct operational risk control self-assessments within business functions (i.e. bottom up process to identify and evaluate risks and associated controls), where applicable</li> <li>2. Conduct operational risk assessments to identify, assess, review, monitor and mitigate operational risks within the business function (i.e. top down assessment of the inherent risk and any controls that may exist)</li> <li>3. Implement operational risk management and control strategies within the business function as set out by the AI's global risk and compliance functions. Ensure full compliance with policies and regulatory requirements</li> <li>4. Analyse business impact of different kinds of disasters or crisis</li> <li>5. Implement and maintain operational risk tools, dashboards and metrics to identify, analyse and mitigate operational risk within the business function</li> <li>6. Develop operational risk control measures</li> <li>7. Assist management in maintaining oversight on key operational risks, controls and enhancement initiatives and ensure effective and efficient internal controls and practices are in place</li> </ol>

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

	<b>Role 1 – Operational Risk Management</b>	<b>Role 2 – Business Function Risk and Control</b>
	<b>Professional Level</b> <i>(For staff taking up middle-level or senior positions in the risk management function with 5+ years of experience)</i>	
	<p>mitigate operational risks (i.e. top down assessment of the inherent risk and any controls that may exist in all existing or new material products, processes and systems) based on the AI's own defined operational risk strategy and risk appetite</p> <ol style="list-style-type: none"> <li>7. Perform both qualitative and quantitative monitoring and reporting of the AI's exposure to all types of operational risk, including trend analysis of risk profiles and review of the limits of operational risk regulatory and economic capital</li> <li>8. Identify compliance and internal control issues</li> <li>9. Execute operational risk monitoring duties and escalate incidents and operational risk events to senior management</li> <li>10. Report to senior management the proposed remedial actions of operational risk assessments and monitor the ongoing progress of remedial actions</li> <li>11. Report and escalate operational risk events/incidents in a timely manner and monitor issue resolution to ensure timely responses are provided</li> <li>12. Compile operational risk reports, dashboards and metrics for management reporting</li> <li>13. Undertake scenario analysis/assessment to identify potential operational losses and monitor operational risk profiles and material exposures to losses on an on-going basis</li> <li>14. Develop and evaluate effectiveness of business continuity and disaster recovery strategy</li> <li>15. Provide practical recommendations on the remedial actions to be taken to address operational risk events, assess the quality and appropriateness of remedial actions identified and seek to improve the overall operational risk management process for</li> </ol>	<ol style="list-style-type: none"> <li>8. Facilitate the testing of relevant controls as a part of the annual test plan and business continuity plan when required</li> <li>9. Identify compliance and internal control issues within business functions</li> <li>10. Conduct operational risk monitoring duties and escalate incidents and risk events to operational risk management unit and senior management</li> <li>11. Report to senior management and operational risk management unit the progress of remedial actions of operational risk assessments</li> <li>12. Report and escalate operational risk events/incidents within business functions in a timely manner and monitor issue resolution to ensure timely responses are provided</li> <li>13. Manage and provide oversight of completion of follow-up and remedial actions (e.g. further investigation) relating to operational risk events identified during the operational risk assessment process</li> <li>14. Assist management in maintaining oversight on key operational risks, controls and enhancement initiatives and ensure effective and efficient internal controls and practices are in place</li> <li>15. Liaise and coordinate with other control functions on standards and regulatory interpretation, and operational risk and control activities</li> <li>16. Monitor completion of follow-up and remedial actions relating to operational risk incidents and events</li> <li>17. Monitor and review the limits of operational risk regulatory and economic capital</li> <li>18. Promote positive risk culture and risk</li> </ol>

## Guidelines of Certification Application for ECF on Operational Risk Management (ECF-ORM)

	<b>Role 1 – Operational Risk Management</b>	<b>Role 2 – Business Function Risk and Control</b>
	<b>Professional Level</b> <i>(For staff taking up middle-level or senior positions in the risk management function with 5+ years of experience)</i>	
	<p>the AI</p> <p>16. Manage completion of follow-up actions (e.g. further investigation) relating to operational risk events identified during the operational risk assessment process</p> <p>17. Conduct operational due diligence to ensure that operational risk management has been appropriately considered and implemented for new products and services, including thematic reviews of operational risk management</p> <p>18. Advise business units on operational risk management issues</p> <p>19. Undertake consistent liaison and collaboration with:</p> <ul style="list-style-type: none"> <li>- Internal departments such as legal, human resources, information technology and finance on operational risk related topics</li> <li>- Operational risk management subject matter experts (e.g. IT, Conduct, Fraud, Outsourcing, Data Privacy)</li> <li>- Internal audit and external audit</li> </ul> <p>20. Promote positive risk culture and risk awareness across the AI</p> <p>21. Conduct training sessions on operational risk for staff, including content review and training delivery</p>	<p>awareness in different business units</p> <p>19. Play an active role in training sessions on operational risk for staff, including content review and training delivery</p>