HONG KONG MONETARY AUTHORITY
香港金融管理局

Our Ref: B9/166C

18 December 2020

The Chief Executive
All Authorized Institutions

Dear Sir/Madam,

Enhanced Competency Framework on Operational Risk Management

I am writing to announce the launch of the Enhanced Competency Framework on Operational Risk Management (ECF-ORM).

The ECF-ORM is a collaborative effort of the HKMA, the Hong Kong Institute of Bankers (HKIB) and the banking sector in establishing a set of common and transparent competency standards for raising the professional competence of relevant practitioners working in the operational risk management function of authorized institutions (AIs). This framework will facilitate talent development and help enhance the professional competencies of bank staff engaged in operational risk management.

Details of the ECF-ORM, including its scope of application, competency standards, qualification structure, certification and grandfathering arrangements, and continuing professional development (CPD) requirements are set out in the Guide attached to this letter.

As the Supervisory Policy Manual module CG-6 "Competence and Ethical Behaviour" emphasises the importance of ensuring continuing competence of staff members, AIs are encouraged to adopt the ECF-ORM as part of their overall efforts in supporting relevant employees' on-going professional development. The HKMA expects AIs to adopt appropriate measures to monitor and maintain the competence levels of their operational risk management staff.

Apart from supporting their staff to attend trainings and examinations that meet the ECF certification, AIs are also advised to keep proper records of the relevant

training and qualification of their staff and to provide them with necessary assistance in their applications for grandfathering and certification, and fulfilment of CPD training under the ECF-ORM.

The HKIB is the administrator of the ECF-ORM, whose major role includes handling certification and grandfathering applications, administering the examinations and CPD requirements, and maintaining a public register of qualified certification holders. AIs may direct any enquiries regarding certification, grandfathering, training and other related matters to Mr Wallace Hui at 2190 7088 or Mr Henry Lee at 2190 7028 / 2153 7800 of the HKIB.

Meanwhile, if there are any enquiries concerning this circular, please feel free to contact Ms Ivy Yong at 2878 8495 or Miss Rita Kong at 2878 8303.

Yours faithfully,

Daryl Ho
Executive Director (Banking Policy)

Encl

cc: FSTB (Attn: Ms Eureka Cheung)
HKIB (Attn: Ms Carrie Leung)