

## MODULE SPECIFICATIONS

### Certificate in Regulatory Compliance (CRCOP)

**Level of Study:** Foundation (Level 1)

**Effective date:** 1 September 2023

**Version:** 2.2

*Inclusion of qualification time limit in Section F and module time limit in Section G*

#### A. Module Aim

The Certificate in Regulatory Compliance (CRCOP) module is designed to provide the fundamental key concepts for industry practitioners and discuss the regulatory compliance requirements required by the industry supervisors. It also outlines the strong compliance basics for the financial institutions to operate and lead by example in demonstrating high ethical standards.

#### B. Learning Outcomes (LO)

Upon completion of this module, candidates will be able to:

LO1 – Understand the evolution of financial services of regulatory compliance practice in Malaysia

LO2 – Describe the relationship between regulatory compliance and the Malaysian economy and financial system

LO3 – Explain Bank Negara Malaysia's approach to prudential regulation and supervision

LO4 – Understand Malaysian laws and their influence on financial services regulation and Regulatory Compliance

LO5 – Explain Regulatory Compliance within the context of Islamic Finance

LO6 – Describe how customer interests are intended to be safeguarded by regulatory guidelines through their interpretation in financial services organisations policies and processes.

#### C. Learning Method

A combination of methods can be adopted that includes but not limited to:

- Workshops
- Discussions
- Seminars
- Self-study

## D. Assessment

Examination (Pearson Vue Online)	MCQ	Written	Assignment
Duration	2 hours		
Format	80 MCQs		
Passing mark	60%		

Note:

Examination prerequisites: Compulsory workshop attendance (100%)

Non-attendance leads to module withdrawal and full payment for re-registration.

## E. Syllabus Outline

#	Learning topics	Learning outcomes (LO)	Assessment criteria
1	Introduction to Regulatory Compliance (RC) 1.1 The history and evolution of external bank regulation 1.2 Reasons for regulation 1.3 Theoretical underpinnings 1.4 Approaches to financial regulation 1.5 Compliance 1.6 Responsibilities of the board and senior management 1.7 Inculcation of an effective compliance culture 1.8 Challenges in complying with regulatory requirements	LO1 – Understand the evolution of financial services of regulatory compliance practice in Malaysia.	1. Comprehend the evolution of Regulatory Compliance in Malaysia. 2. Understand the need for regulation in Malaysian financial services. 3. Relate the underlying theories which provide a foundation for regulatory compliance. 4. Distinguish the aspects and responsibilities associated with compliance.
2	Regulatory compliance in the Malaysian environment 2.1 The role of financial system 2.2 The interrelation between the financial systems and economy 2.3 Financial system components and the regulatory and supervisory scope 2.4 Organisation of the compliance function 2.5 Consequences of non-compliance	LO2 – Describe the relationship between regulatory compliance and the Malaysian economy and financial system.	1. Identify the scope of the Malaysian financial services regulatory framework. 2. Explain the dynamism of a financial system and its inter-linkages in supporting the economy of a country. 3. Describe the breadth of the Malaysian regulatory and supervisory framework in effecting orderly financial system

#	Learning topics	Learning outcomes (LO)	Assessment criteria
			4. Explain the overarching role of a financial services organisation's compliance function across its operations. 5. Describe the range of possible consequences of non-compliance for financial services organisations.
3	Prudential regulation and supervisory framework 3.1 Strengthening the institutional resilience and business agility in facing intense globalisation and competition 3.2 Strategic direction of Malaysian financial services 3.3 Ensuring greater financial access 3.4 Strengthening the conduct and culture of banking institutions 3.5 Enhancing compliance and risk governance 3.6 Instilling a strong consumer-centric culture 3.7 Enhancing market conduct practices 3.8 Establishment of customer hotline and financial readiness at institutional and industry level 3.9 Other customer protection measures 3.10 Emerging risk management 3.11 Enhancing talent capacity 3.12 Stringent supervisory oversight 3.13 Realignment of BNM policy and supervisory departments 3.14 Enforcement and penalty framework	LO3 – Explain Bank Negara Malaysia's approach to prudential regulation and supervision.	1. Identify the regulatory and supervisory framework, measures, and responsibilities. 2. Explain the evolution of regulatory policies and prudential intermediaries to support the government measures. 3. Understand the supervisory focus throughout the period to better understand the dynamics of the regulatory and supervisory focus. 4. Explain the key historical elements of prudential measures to illustrate the regulatory intent.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
4	<p>The fundamentals of laws and approach of regulatory compliance</p> <p>4.1 The primary objective of financial services regulations</p> <p>4.2 Being unaware of regulatory impositions is no excuse</p> <p>4.3 Maintaining legal relationship between bankers and customers</p> <p>4.4 Regulatory compliance as a defensive function</p> <p>4.5 Black Swan and other regulatory challenges</p> <p>4.6 Establishing effective compliance programmes</p> <p>4.7 Case Study – The collapse of corporate governance (Enron Scandal)</p>	<p>LO4 – Understand Malaysian laws and their influence on financial services regulation and Regulatory Compliance.</p>	<ol style="list-style-type: none"> <li>1. Demonstrate the understanding of regulatory compliance approach.</li> <li>2. Explain the primary objectives of financial laws and regulations with related regulatory tools to effect compliance and enforcement.</li> <li>3. Examine the approach of regulatory compliance in managing a wide range of issues.</li> <li>4. Outline effective establishment of the compliance and ethical policies and processes, as well as managing the liability risks and potential Black Swan events.</li> <li>5. Discuss how an effective compliance programme and overall compliance processes can produce positive outcomes for all stakeholders.</li> </ol>
5	<p>Regulatory compliance within an Islamic finance paradigm</p> <p>5.1 Islamic finance regulatory and supervisory settings</p> <p>5.2 Shariah governance framework</p> <p>5.3 Setting up of Shariah advisory authorities</p> <p>5.4 Global Islamic financial services</p>	<p>LO5 – Explain regulatory compliance within the context of Islamic Finance.</p>	<ol style="list-style-type: none"> <li>1. Identify the role of Islamic finance in regulatory compliance.</li> <li>2. Describe the evolution of the Islamic finance regulatory and supervisory framework and the role of BNM in spearheading the development of Malaysia as a globally recognised Islamic finance hub.</li> <li>3. Assess the significance of Shariah Governance Framework underscoring</li> </ol>

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			<p>the fundamental rules of Islamic finance and the prominent involvement of Shariah Committees at the national or institutional level in overseeing the operations of Islamic financial institutions.</p> <ol style="list-style-type: none"> <li>4. Recognise the integration and harmonisation efforts at the global Islamic financial industry level by the membership of regulatory authorities as well as Islamic Finance Institutions (IFIs) with the global standard setting bodies.</li> <li>5. Understand the implementation of such common standards for the operationalisation of the IFIs.</li> <li>6. Describe the roles of compliance function in the Shariah Governance Framework (SGF).</li> <li>7. Explain Shariah contracts and their requirements, the main Shariah risks, and the structure of managing Shariah risk.</li> <li>8. Describe how compliance function conduct their test and collaborate with other control functions to strengthen the process and ensure strict compliance to SGF requirements.</li> </ol>

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6	<p>Safeguarding customers' interests</p> <p>6.1 Regulatory and supervisory approach in market conduct and consumer protection</p> <p>6.2 Regulatory compliance oversight on fairness of treatment and protection for financial consumers</p> <p>6.3 Key features of BNM guidelines on fair treatment of financial consumers</p> <p>6.4 Key features of BNM guidelines on product transparency and disclosure</p> <p>6.5 Key features of BNM guidelines on the imposition of fees and charges on financial products and services</p> <p>6.6 Key features of BNM guidelines on complaint handling</p> <p>6.7 Key features of BNM guidelines on fair debt collection practices</p> <p>6.8 Key features of BNM guidelines on introduction of new products</p> <p>6.9 Key features of BNM guidelines on prohibited business conduct</p> <p>6.10 Key features of BNM guidelines on responsible financing</p> <p>6.11 Key features of BNM guidelines on management of customer information and permitted disclosure</p> <p>6.12 Key features of the principles for a fair and effective financial market for the Malaysian financial market</p>	<p>LO6 – Describe how customer interests are intended to be safeguarded by regulatory guidelines through their interpretation in financial services organisations policies and processes.</p>	<ol style="list-style-type: none"> <li>1. Examine the financial customers' interest, information, and protection.</li> <li>2. Examine the regulatory and supervisory approach ensuring industry-wide standardised market conduct and fair treatment of financial consumers and financial market clients.</li> <li>3. Examine the financial institutions to ensure that they comprehensively adopt the legal and industry requirements in various retail and wholesale banking business conduct and practices to achieve the outcomes of the regulatory and supervisory intentions.</li> <li>4. Assess the establishment of internal controls and measures to monitor the effectiveness of the policies and procedures regarding the market conduct and fair treatment of financial consumers and financial market clients.</li> </ol>

#	Learning topics	Learning outcomes (LO)	Assessment criteria
6.13	Key features of BNM code of conduct for Malaysia wholesale financial markets		
6.14	Key features of BNM guidelines on investor protection		
6.15	Case studies		

## F. Qualification Time Limit

The qualification time limit refers to the time allocated to candidates to complete all the required modules for a certificated programme at the respective level of study. Candidates must complete the programme within the stipulated qualification time limit upon enrolment, failing which they will lose all the passes accumulated and must re-apply to the programme.

The qualification time limit for Level 1 Foundation Certificated Programmes is **12 months**.

## G. Module Time Limit

The module time limit refers to the time allocated to candidates to complete and pass the module after successful registration.

The module time limit starts once candidates have successfully registered to a module. The module time limit for this module is **12 months**. Please make sure you complete your module before the module time limit expires. Candidates who did not complete within the module time limit are required to re-register the module with full payment.

For more information on the qualification and module time limit, please refer to the [AICB Membership and Qualification Regulations](#).