



# **TRAINING AND COMPETENCY MODULE**



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<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>TC-A: Introduction</b>

## TC-A.1 Purpose

### *Executive Summary*

- TC-A.1.1 Module TC provides Rules and Guidance to capital market licensees to ensure satisfactory levels of competence, in terms of an individual's knowledge, skills, experience and professional qualifications. Capital market licensees are required to demonstrate that approved persons including individuals undertaking controlled functions are sufficiently competent, and are able to undertake their respective roles and responsibilities. Capital market licensees must maintain the competence to provide regulated services. Individuals occupying controlled functions as outlined in respective Modules of Volume 6, must, therefore, meet minimum levels of training and experience related to their functions.
- TC-A.1.2 Capital market licensees and approved persons should observe high standards of integrity and fair dealing, and be honest and straightforward in their dealings with clients. Capital market licensees should maintain adequate human, financial and other resources sufficient to run their business in an orderly manner.
- TC-A.1.3 The CBB's Licensing Conditions require a capital market licensee's staff, taken together, must collectively provide a sufficient range of skills and experience to manage the affairs of the capital market licensee in a sound and prudent manner. This condition requires that capital market licensees must ensure their employees meet any training and competency requirements specified by the CBB. The approved persons requirements, specified in Module MAE, Module CSD, Module MIR and Module CRA, sets forth the 'fit and proper' requirements in relation to competence, experience and expertise required by approved persons; this Chapter specifies various factors that the CBB takes into account when reaching such decision regarding approval of such persons to act as approved persons by CBB.

### *Legal Basis*

- TC-A.1.4** This Module contains the CBB's Directive (as amended from time to time) relating to training and competency and is issued under the powers available to the CBB under Articles 38 and 65(b) of the Central Bank of Bahrain and Financial Institutions Law 2006 ('CBB Law'). The Directive in this Module is applicable to all capital market licensees.
- TC-A.1.5 For an explanation of the CBB's rule-making powers and different regulatory instruments, see Section UG-1.1.

<b>MODULE</b>	<b>TC:</b>	<b>Training and Competency</b>
<b>CHAPTER</b>	<b>TC-A:</b>	<b>Introduction</b>

## TC-A.2 Module History

### *Evolution of the Module*

TC-A.2.1 This Module was first issued in August 2021. Any material changes that are subsequently made to this Module are annotated with the calendar quarter date in which the change is made; Chapter UG-3 provides further details on Rulebook maintenance and version control.

TC-A.2.2 A list of recent changes made to this Module is provided below:

Module Ref.	Change Date	Description of Changes



MODULE	TC:	Training and Competency
CHAPTER	TC-A:	Scope of Application

## TC-B.1 Scope

**TC-B.1.1** This Module applies to all capital market licensees in the Kingdom of Bahrain. It covers the training and competency requirements for approved persons (See Chapter TC-1).

TC-B.1.2 In the case of an overseas licensee or entity undertaking regulated business activities within the framework of CBB Rulebook Volume-6, the applicability of this Module is restricted to its Bahrain operations.

TC-B.1.3 Persons authorised by the CBB as approved persons prior to the issuance of Module TC need not reapply for authorisation.

**TC-B.1.4** The requirements of this Module apply to approved persons in connection with the capital market licensee's regulated services, or under a contract of service.

TC-B.1.5 In the case of outsourcing arrangements, the capital market licensee should refer to the competency requirements, outlined in Appendix TC-1 for approved persons, for assessing the suitability of the outsourcing provider.

**TC-B.1.6** Capital market licensees must satisfy the CBB that individuals undertaking a controlled function position for it or on its behalf are suitable and competent to carry out the tasks assigned to that position.

**TC-B.1.7** In implementing this Module, capital market licensees must ensure that individuals appointed/recruited to perform controlled functions:

- (a) Hold suitable qualifications and experience appropriate to the nature of the business;
- (b) Remain competent for the work they do; and
- (c) Are appropriately supervised.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Requirements for Controlled functions

## TC-1.1 Controlled Function

### TC-1.1.1

Individuals occupying controlled functions in a capital market licensee must be qualified and suitably experienced for their specific roles and responsibilities. The approved persons are:

- (a) Board Member/Director;
- (b) Chief Executive or General Manager and their Deputies;
- (c) Chief Financial Officer and/or Head of Finance;
- (d) Chief Risk Officer/ Head of Risk Management;
- (e) Compliance Officer;
- (f) Chief Information Officer/Chief Technology Officer or Head of Information Technology;
- (g) Heads of Other Functions (as specified in respective Modules);
- (h) Money Laundering Reporting Officer (MLRO);
- (i) Registered Representative; and
- (j) Chief Information Security Officer (CISO).

### TC-1.1.2

Paragraph TC-1.1.1 specifies the controlled functions that are common to all categories of capital market licensees under Volume 6. Controlled functions specific to each category of capital market licensee is specified in MAE, CSD, MIR, and CRA Modules. It is the responsibility of the capital market licensee to refer to the respective Module to ascertain whether a particular position is considered a controlled function or not.

### TC-1.1.3

A capital market licensee must take reasonable steps to ensure that individuals holding controlled functions are sufficiently knowledgeable about their respective fields of work to be able to guide and supervise operations that fall under their responsibilities. Competence must be assessed on the basis of experience and relevant qualifications described in Appendix TC-1 as a minimum. However, the CBB reserves the right to impose a higher level of competence as it deems necessary.

### TC-1.1.4

The CBB may, at its sole discretion, grant exemption to an individual from the requirements relevant to experience and/or qualifications stipulated in Appendix TC-1, on the basis of an application made to it, provided that the licensee is able to demonstrate, to the satisfaction of the CBB, that the individual under consideration possesses qualification and/or experience comparable to those prescribed in Appendix TC-1. The CBB shall review and consider all relevant facts and circumstances in granting the exemption.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Requirements for Controlled functions

## TC-1.1 Controlled Functions (continued)

TC-1.1.5 While granting the exemption referred to in Paragraph TC-1.1.4, the CBB may impose other conditions as deemed appropriate. Conditional exemptions so granted are specific to the facts and circumstances set forth in the application and in the context of the individual's engagement with the capital market licensee, and therefore, non-transferable. The individual may be required to meet the qualification and experience requirements if there are changes to his/her role.

### *Board Member/Director*

TC-1.1.6

Board members/Directors collectively are responsible for the business performance and strategy of the capital market licensee, as outlined in more details in Section HC-10.1

TC-1.1.7

When taken as a whole, the board of directors of a capital market licensee must be able to demonstrate that it has the necessary skills and expertise, as outlined in Paragraph HC-10.1.

### *Chief Executive or General Manager and their Deputies*

TC-1.1.8

The chief executive officer or general manager and their deputies (as appropriate) are responsible for the executive management and performance of the licensee within the framework or delegated authorities set by the Board. This is outlined in more details in Paragraph HC-10.6.

### *Chief Financial Officer/Head of Finance*

TC-1.1.9

The Chief Financial Officer/Head of Finance is responsible for directing the capital market licensee's finance function, including ensuring that the relevant accounting treatment is applied to all of the activities of the capital market licensee in a timely manner.

### *Chief Risk Officer/ Head of Risk Management*

TC-1.1.10

The Chief Risk Officer/ Head of Risk Management is responsible for the management and control of all risk exposures arising from the activities of the capital market licensee.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Requirements for Controlled functions

## TC-1.1 Controlled Functions (continued)

### *Compliance Officer*

#### TC-1.1.11

An employee of appropriate standing must be designated by the capital market licensee for the position of compliance officer. The duties of the compliance officer, who must have Bahraini residency, include:

- (a) Having responsibility for oversight of the capital market licensee's compliance with the requirements of the CBB and other applicable laws and regulations;
- (b) Raising awareness and providing training for the capital market licensee's staff on compliance issues; and
- (c) Reporting to the capital market licensee's Board in respect of that responsibility.

### *Chief Information Officer/Chief Technology Officer or Head of Information Technology*

#### TC-1.1.12

The Chief Information Officer/Chief Technology Officer/ or Head of Information Technology is responsible for establishing and implementing the overall information technology strategy, overseeing the day-to-day information technology operations, and managing the information technology risks of the financial institution.

### *Heads of Other Functions*

#### TC-1.1.13

Heads of other functions are responsible for tracking specific functional performance goals in addition to identifying, managing and reporting critical organisational issues upstream. Certain functions require dealing directly with clients while others do not. Both categories of functions, however, require specific qualifications and experience to meet the objectives as well as compliance requirements of the capital market licensee.

#### TC-1.1.14

For purposes of Paragraph TC-1.1.13, capital market licensees should contact the CBB if they require further clarification on whether a specific position falls under the definition of "Heads of other Functions".

### *Money Laundering Reporting Officer (MLRO)*

#### TC-1.1.15

The attributes and responsibilities of the MLRO are described more fully in Sections AML 3.1 and AML-3.2.





MODULE	TC: Training and Competency
CHAPTER	TC-1: Requirements for Controlled functions

## TC-1.1 Controlled Functions (continued)

### *Registered Representative*

TC-1.1.16

The registered representative is responsible for solicitation or handling of accounts or orders for the purchase or sale of securities, or other similar instruments for the accounts of customers of his employer.

### *Chief Information Security Officer*

TC-1.1.17

The Chief Information Security Officer (“CISO”) is responsible and accountable for the effective management of cyber security risks. A CISO is responsible for overseeing and implementing the capital market licensees cyber security program and enforce its cyber security policy.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment for Controlled function

## TC-1.2 Continuous Professional Development Training (“CPD”)

### *CPD*

**TC-1.2.1** All individuals holding controlled functions in a capital market licensee must undergo a minimum of 15 hours of CPD per annum.

TC-1.2.2 Where a capital market licensee, based on the nature, scale and complexity of its business, determines that an approved person, by not undergoing the CPD programme for the specific controlled function, on an annual basis, shall not impair the functioning of the capital market licensee, it should approach the CBB with the rationale and request for an exemption from the CPD requirement stipulated in Paragraph TC-1.2.1. The CBB may consider exempting the approved person undertaking the specific controlled function from the CPD requirement altogether or may recommend that the approved person undergoes the CPD programme at such other frequency (biennial, triennial etc.) as deemed necessary.

**TC-1.2.3** The capital market licensee must ensure that an individual appointed as an approved person is supervised and undergoes appropriate review and assessment of his/her performance.

TC-1.2.4 The level of supervision should be proportionate to the level of competence demonstrated by the approved person. Supervision shall include, as appropriate:

- (a) Reviewing and assessing work on a regular basis; and
- (b) Coaching and assessing performance against the competencies necessary for the role.

TC-1.2.5 Supervisors of approved persons should have technical knowledge and relevant skills, e.g. coaching and assessment skills.



MODULE	TC: Training and Competency
CHAPTER	TC-2: General Requirements

## TC-2.1 Recruitment and Assessing Competency

### *Recruitment and Appointment*

**TC-2.1.1** If a capital market licensee recruits or promotes an individual to undertake a controlled function, it must satisfy itself, where appropriate, of such individual's relevant qualifications and experience.

**TC-2.1.2** For purposes of Paragraph TC-2.1.1, capital market licensees must file Form 3 (Approved Persons) with the CBB and obtain the express written approval of the CBB for that person to occupy the desired position. In its application, the capital market licensee must demonstrate to the CBB that full consideration has been given to the qualifications and core competencies for controlled functions as per Appendix TC-1 (See Article 65(b) of the CBB Law).

TC-2.1.3 While assessing the competency for the position of Board of Director, a capital market licensee should give due weightage to relevant experience and expertise of the applicant. The applicant should demonstrate clear understanding of the licensee's business and his/her ability to exercise strategic oversight over the business operations. In case where an applicant does not fulfil the educational qualification and minimum experience requirement stipulated in Appendix TC-1 (Board member/Director), the capital market licensee may still consider the applicant for appointment provided the applicant demonstrates:

- (a) clear understanding of the licensee's business operations;
- (b) ability to provide objective views to the Board on issues of strategy, business performance, risk management, financial control and other matters which has a bearing on the licensee's performance;
- (c) leadership ability or has previously operated in a leadership position.

TC-2.1.4 For the purposes of Paragraph TC-2.1.3 above, where an applicant does not fulfil the educational and minimum experience requirements, the CBB may, at its sole discretion, waive some or all the educational and minimum experience requirements, should it determine that the applicant (board member) demonstrates qualitative attributes which fulfils the core competency requirements as stipulated in Appendix TC-1 and his/her appointment shall contribute effectively to the decision making and governance process of the licensee.

TC-2.1.5 Capital market licensees should refer to their respective Module (MAE, CSD, MIR and CRA) providing detailed requirements on the appointment of individuals occupying controlled functions (approved persons).

TC-2.1.6 A capital market licensee proposing to recruit an individual has to satisfy itself of his/her relevant qualifications and experience. The capital market licensee should:

- (a) Take into account the knowledge and skills required for the role, in addition to the nature and the level of complexity of the controlled function; and
- (b) Take reasonable steps to obtain sufficient information about the individual's background, experience, training and qualifications.



MODULE	TC: Training and Competency
CHAPTER	TC-2: General Requirements

## TC-2.1 Recruitment and Assessing Competency (continued)

### *Assessing Competency*

#### TC-2.1.7

**Capital market licensees must not allow an individual to undertake or supervise a controlled function unless that individual has been assessed by the capital market licensee as competent in accordance with this Section.**

#### TC-2.1.8

In determining an individual's competency, capital market licensees may assess if the person is fit and proper in accordance with the requirements stipulated for authorisation of approved persons in MAE, CSD, MIR and CRA Modules.

#### TC-2.1.9

**Capital market licensees must assess individuals as competent when they have demonstrated the ability to apply the knowledge and skills required to perform a specific controlled function.**

#### TC-2.1.10

The assessment of competence shall depend on the nature and the level of complexity of the controlled function. Such assessment of competence of new personnel may take into account the fact that an individual has been previously assessed as competent in a similar controlled function.

#### TC-2.1.11

If a capital market licensee assesses an individual as competent in accordance with TC-2.1.9 to perform a specific controlled function, it does not necessarily mean that the individual is competent to undertake other controlled functions.

#### TC-2.1.12

A capital market licensee should use methods of assessment that are appropriate to the controlled function and to the individual's role.



MODULE	TC: Training and Competency
CHAPTER	TC-2: General Requirements

## TC-2.2 Training and Maintaining Competence

**TC-2.2.1** A capital market licensee must annually determine the training needs of individuals undertaking controlled functions. It must develop a training plan to address these needs and ensure that training is planned, appropriately structured and evaluated.

TC-2.2.2 The assessment and training plan described in Paragraph TC-2.2.1 should be aimed at ensuring that the relevant approved person maintains competence in the controlled function. An individual can develop skills and gain experience in a variety of ways. These could include on-the-job learning, individual study, and other methods. In almost every situation, and for most individuals, it is likely that competence will be developed most effectively by a mixture of training methods.

**TC-2.2.3** The training plan of capital market licensees must include a programme for continuous professional development training (“CPD”) for their controlled function.

TC-2.2.4 Approved persons may choose to fulfil their CPD requirements by attending courses, workshops, conferences and seminars at local or foreign training institutions.

**TC-2.2.5** The annual training required under Paragraph TC-2.2.1 must also include the quarterly updates, if any, to the CBB Volume 6 (Capital Markets) Rulebook, in areas relevant to each controlled function.

TC-2.2.6 Capital market licensees should maintain appropriate training records for each individual. Licensees should note how the relevant training relates to and supports the individual’s role. Training records may be reviewed during supervisory visits to assess the capital market licensee’s systems and to review how the licensee ensures that its staff are competent and remain competent for their roles.

### *Maintaining Competence*

**TC-2.2.7** A capital market licensee must make appropriate arrangements to ensure that approved persons maintain competence.

TC-2.2.8 A capital market licensee should ensure that maintaining competence for an approved person takes into account:

- (a) Application of technical knowledge;
- (b) Application and development of skills; and
- (c) Appropriate knowledge of relevant market changes and changes to products, legislation and regulation.



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>TC-2: General Requirements</b>

## **TC-2.2 Training and Maintaining Competence (continued)**

TC-2.2.9 A capital market licensee may utilise the CPD schemes of relevant professional bodies to demonstrate compliance with TC-2.2.1. See Appendix TC-2 for a list of CBB-recognised professional bodies. The list of professional bodies set out in Appendix TC-2 is not exhaustive. Capital market licensees may conduct CPD training through other professional bodies provided such other professional bodies are of good repute, have an established track record in training related to regulated activities, the trainers are professionally qualified, and the training program is interactive (self-study without assessment or evaluation is not acceptable). In-house training, seminars, conferences, further qualifications, product presentations, computer-based training and one-to-one tuition may also be considered to demonstrate compliance with TC-2.2.1.



MODULE	TC: Training and Competency
CHAPTER	TC-2: General Requirements

### TC-2.3 Transitional Period

**TC-2.3.1** The requirements of Module TC for capital market licensees are effective from the date of issuance of this Module.

**TC-2.3.2** New applications for approved persons are subject to the requirements of this Module (See Paragraph TC-B.1.3).

**TC-2.3.3** Approved persons occupying controlled functions at the time this Module is issued will be grandfathered and not subject to the requirements of this Module, with the exception of CPD requirements in Paragraph TC-1.2.1. However, should the approved person move to another controlled function, Paragraph TC-2.3.4 will apply.

TC-2.3.4 In instances, where an approved person in one capital market licensee moves to another capital market licensee and occupies the same position, the CBB will exercise its discretion on whether to grandfather such approved person from the required qualifications and competencies outlined in Appendix TC-1 into the new capital market licensee. The grandfathering criteria used by the CBB will include a comparison of the scope and size of both positions. This will also apply in instances where an approved person in one capital market licensee moves from one department to another within the same capital market licensee.



MODULE	TC: Training and Competency
CHAPTER	TC-2: General Requirements

## TC-2.4 Record Keeping

### TC-2.4.1

A capital market licensee must make and retain updated digital and/or manual records of:

- (a) The annual training plan for each controlled function;
- (b) Materials used to conduct in-house training courses;
- (c) List of participants attending such in-house training courses;
- (d) Results of evaluations conducted at the end of such training courses.
- (e) The criteria applied in assessing competence;
- (f) How and when the competence decision was arrived at; and
- (g) Record of CPD hours undertaken by each approved person.

### TC-2.4.2

For purposes of Paragraph TC-2.4.1, the record keeping requirements apply to both current employees as well as to employees following termination of their services or employment with the capital market licensee, for a minimum period of five years.

### TC-2.4.3

A capital market licensee must maintain records of its recruitment and appointment procedures for approved persons for a minimum period of five years following termination of their services or employment with the capital market licensee. Such procedures should be designed to adequately take into account proof of the candidates' knowledge and skills and their previous activities and training.

### TC-2.4.4

For purposes of Paragraph TC-2.4.3, the recruitment record keeping procedure should include, but is not limited to, the following:

- (a) Results of the initial screening;
- (b) Results of any employment tests;
- (c) Results and details of any interviews conducted;
- (d) Background and references checks; and
- (e) Details of any professional qualifications.





<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## Qualifications and Core Competencies of Controlled Functions

Role	Core Competencies	How can competence be demonstrated?
Board Member/ Director	Board members should have: (a) A clear understanding of the role and responsibilities associated with this position; (b) Sufficient experience to demonstrate sound business decision-making; (c) Good understanding of the industry; and (d) Good understanding of the industry's regulatory environment.	Competence could be demonstrated by: (a) An academic degree from a university at bachelor level or higher and/or a relevant professional qualification.; and (b) A minimum experience of 5 years in business and/or government/quasi government of which at least 3 years at a senior management level  OR (c) A minimum experience of 7 years in business
Chief Executive or General Manager and their Deputies	The Chief Executive or General Manager and their Deputies should have: (a) A clear understanding of the role and responsibilities associated with this position; (b) Strong understanding of the licensee's business and the wider industry; (c) Good understanding of the industry's regulatory environment; (d) Relevant experience and qualifications associated with such executive responsibilities; and (e) The necessary technical, professional and leadership capabilities which qualify him for this position.	Competence could be demonstrated by: (a) A minimum experience of 5 years at senior management level in the financial industry and/or capital market industry; and (b) An academic degree from a university at bachelors level or higher preferably MBA, Masters in finance/accounting/economics/management or in any other subject related to financial services industry and/or capital market industry in addition to professional qualification(s) related to financial services industry and/or capital market industry.



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## **Qualifications and Core Competencies of Controlled Functions (continued)**

<b>Role</b>	<b>Core Competencies</b>	<b>How can competence be demonstrated?</b>
Chief Financial Officer/ Head of Finance	The Chief Financial Officer/ Head of Finance should have: (a) A clear understanding of the role and responsibilities associated with this position; (b) Good understanding of business and the wider industry; (c) Strong understanding of the industry's regulatory environment; (d) The relevant experience and qualifications to fulfil his responsibilities; and (e) Strong knowledge and understanding of international accounting standards and how they are applied in a business context, including IFRS.	The Chief Financial Officer/ Head of Finance should have: (a) A minimum of 5 years of practical experience in a finance function; and (b) An academic degree from a university at bachelor level related to banking/finance/accounting/economics or higher in addition to professional qualification(s) related to banking/finance/accounting/economics and other relevant certification(s) specific to this role. Such professional qualifications may include but are not limited to: (i) Affiliate, The Association of Chartered Certified Accountants (ACCA); (ii) Certified Public Accountant (CPA), The Association of International Certified Professional Accountants (AICPA); (iii) AAOIFT's Certified Islamic Professional Accountant (CIPA); (iv) Associate Chartered Accountant (ACA), Institute of Chartered Accountants in England and Wales (ICAEW); and/or (v) Chartered Financial Analyst (CFA).
Heads of other Functions	Heads of other Functions should have: (a) A clear understanding of the role and responsibilities associated with this position; (b) Strong understanding of the licensee's business and the broader industry; (c) Good understanding of the industry's regulatory environment; and (d) The relevant experience and qualifications to fulfil their responsibilities.	Competence could be demonstrated by: (a) A minimum of 5 years of practical experience in a comparable function within the financial services and/or capital market industry; and (b) An academic degree from a university at bachelor level or higher in addition to professional qualification(s) and other relevant certification(s) specific to this role. Such certifications may, depending on the function being fulfilled, include but are not limited to: (i) Chartered Financial Analyst (CFA); (ii) Certificate in Securities and Financial Derivatives; (iii) Certificate in Investment Management;



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## Qualifications and Core Competencies of Controlled Functions (continued)

Role	Core Competencies	How can competence be demonstrated?
		<ul style="list-style-type: none"> <li>(iv) Professional Certification in Accounting;</li> <li>(v) Equivalent certificates or qualifications from the BIBF or other institutions; and/or</li> <li>(vi) Securities Markets Regulation Certification</li> </ul>
Compliance Officer	<p>A Compliance Officer should have:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of the role and responsibilities associated with this position;</li> <li>(b) An appropriate level of experience and standing to demonstrate suitable independence from other functions within the capital market Licensee;</li> <li>(c) Good understanding of the industry; and</li> <li>(d) Strong understanding of the industry's applicable regulatory requirements.</li> </ul>	<p>Competence could be demonstrated by:</p> <ul style="list-style-type: none"> <li>(a) A minimum of 2 years of relevant experience in compliance in the financial services and capital markets industry, financial institution or financial market regulator;</li> <li>(b) An academic degree from a university at bachelor level or higher in addition to professional qualification(s) related to accounting or finance and other relevant certification(s) specific to this role. Such professional qualifications may include but are not limited to: <ul style="list-style-type: none"> <li>(i) International Diploma in Governance, Risk and Compliance, International Compliance Association (ICA); and</li> <li>(ii) International Advanced Certificate in Compliance and Financial Crime offered by the International Compliance Association; and/or</li> <li>(iii) Any other relevant professional certification deemed suitable by the CBB.</li> </ul> </li> </ul>



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## **Qualifications and Core Competencies of Controlled Functions (continued)**

Role	Core Competencies	How can competence be demonstrated?
Money Laundering Reporting Officer (MLRO)	<p>The MLRO should have:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of the role and responsibilities associated with this position;</li> <li>(b) Understand the business of the licensee and how the Anti Money Laundering framework applies to it;</li> <li>(c) Demonstrate independence from the staff of the licensee who deal directly with customer; and</li> <li>(d) A thorough knowledge of the financial industry and be familiar with relevant FATF and applicable domestic regulatory requirements.</li> </ul>	<p>Competency could be demonstrated by:</p> <ul style="list-style-type: none"> <li>(a) An MLRO should have a minimum experience of 2 years in anti-money laundering or anti-money laundering related role in the financial services industry.</li> <li>(b) The MLRO should have: <ul style="list-style-type: none"> <li>(i) A degree from a university at bachelor level or higher or a relevant professional qualification; and</li> <li>(ii) Relevant certification(s) specific to this role. Such certifications may include but are not limited to: <ol style="list-style-type: none"> <li>1) Certified Anti-Money Laundering Specialist Examination, Association of Certified Anti-Money Laundering (ACAMS);</li> <li>2) Diploma in Anti-Money Laundering, International Compliance Association (ICA);</li> <li>3) International Diploma in Financial Crime Prevention, International Compliance Association (ICA); and/or</li> <li>4) International Advanced Certificate in Compliance and Financial Crime, International Compliance Association (ICA).</li> </ol> </li> </ul> </li> </ul>



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## **Qualifications and Core Competencies of Controlled Functions (continued)**

Role	Core Competencies	How can competence be demonstrated?
Registered Representative	<p>The Registered Representative should have thorough understanding of:</p> <ul style="list-style-type: none"> <li>(a) Regulatory framework and applicable rules and regulations;</li> <li>(b) Ethical framework, duties towards customers and employer, disclosure of conflict of interest, preservation of confidential information, best trade execution practice and separation of customer and proprietary trading.</li> <li>(c) Understanding of exchange trading and clearing process including order types and limits, margin requirements, execution strategies and trading cost.</li> </ul>	<p>Competency could be demonstrated by:</p> <ul style="list-style-type: none"> <li>(a) A Registered Representative should have a minimum experience of 2 years in financial markets. Relevant experience in capital markets is preferred; and</li> <li>(b) A degree from a university at bachelor level or higher or a relevant professional qualification in accounting, finance, banking, or management. Such certification may include but are not limited to: <ul style="list-style-type: none"> <li>(i) General Securities Representatives Qualification (Series -7) by Bahrain Institute of Banking and Finance; or</li> <li>(ii) Securities Market Regulation Certification Program (Series-79) by Bahrain Institute of Banking and Finance; or</li> <li>(iii) Trading and Financial Market Analysis by Bahrain Institute of Banking and Finance; or</li> <li>(iv) Certificate in Securities; or</li> <li>(v) Certificate in Securities and Financial Derivatives; or</li> <li>(vi) Certificate in investment management; or</li> <li>(vii) Chartered Financial Analyst (CFA); or</li> <li>(viii) Any other equivalent certification acceptable to the CBB</li> </ul> </li> </ul>



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## **Qualifications and Core Competencies of Controlled Functions (continued)**

Chief Risk Officer/Head of Risk Management	<p>The Head of Risk Management should have:</p> <ul style="list-style-type: none"><li>(a) A clear understanding of the role and responsibilities associated with this position;</li><li>(b) An appropriate level of experience and standing to demonstrate suitable independence from other functions within the licensee;</li><li>(c) Good understanding of the licensee's business and the wider industry;</li><li>(d) Good understanding of the industry's regulatory environment; and</li><li>(e) The relevant experience and qualifications to fulfill his responsibilities.</li></ul>	<p>Competency could be demonstrated by:</p> <ul style="list-style-type: none"><li>(a) A minimum of 5 years of practical experience in a financial institution of which at least 2 years in a risk management position within the financial market industry; and</li><li>(b) An academic degree from a university at bachelor level or higher in addition to professional qualification(s) related to risk management, accounting, finance or other relevant certification(s) specific to this role. Such certifications may include but are not limited to:<ul style="list-style-type: none"><li>(i) Associate in Risk Management (ARM), The Institutes;</li><li>(ii) International Diploma in Risk Management, Institute of Risk Management qualifications (IRM);</li><li>(iii) Financial Risk Manager (FRM), Global Association of Risk Professionals (GARP); and/or</li><li>(iv) Professional Risk Manager (PRM), Professional Risk Managers' International Association (PRIMA).</li><li>(v) Any other equivalent certification acceptable to the CBB</li></ul></li></ul>
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<b>MODULE</b>	<b>TC: Training and Competency</b>
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## **Qualifications and Core Competencies of Controlled Functions (continued)**

Role	Core Competencies	How can competence be demonstrated?
The Chief Information Officer/Chief Technology Officer/ or Head of Information Technology	<p>The Chief Information Officer/Chief Technology Officer/ or Head of Information Technology should have:</p> <p>(a) A clear understanding of the management information system used by the licensee;</p> <p>(b) Ability to:</p> <p>(i) effectively manage, monitor and control all aspects of the information system operations;</p> <p>(ii) Ability to critically assess information system related issues and be able to come up with appropriate solutions to tackle the problem.</p> <p>Strong technical and architectural skills along with knowledge of system analysis and design.</p>	<p>Competency could be demonstrated by:</p> <p>(a) A minimum experience of 5 years in the field of information technology.;</p> <p>(b) An academic degree from a university at bachelor level or higher in information technology,; and</p> <p>(c) Relevant professional qualification/certification information technology specific to this role.</p>
Chief Information Security Office (CISO)	<p>The Chief Information Security Officer should have:</p> <p>(a) A clear understanding of the responsibility and accountability for effectively managing cyber-security threats;</p> <p>(b) Ability to implement and oversee a cyber-security program and enforce a cyber security policy; and</p> <p>(c) The relevant experience and qualification to fulfill his responsibilities.</p>	<p>Competency could be demonstrated by:</p> <p>(c) A minimum experience of 5 years in the field of information technology and cyber security.;</p> <p>(d) An academic degree from a university at bachelor level or higher or relevant professional qualification in information technology, information security, cyber security or related field and</p> <p>(e) Relevant certification related to cyber/information security, data privacy or other relevant certification(s) specific to this role.</p>



<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-2</b>

***Relevant Professional Bodies***

- (a) Any accredited university
- (b) Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI)
- (c) American Institute of Certified Public Accountants (AICPA), USA
- (d) Association Cambiste Internationale (ACI), France
- (e) Association of Certified Anti-Money Laundering Specialists (ACAMS), USA
- (f) Association of Chartered Certified Accountants (ACCA), UK
- (g) Bahrain Institute of Banking and Finance (BIBF), Bahrain
- (h) Chartered Financial Analyst (CFA) Institute , USA
- (i) Chartered Alternative Investment Analyst Association (CAIA)
- (j) Chartered Institute for Securities & Investment (CISI)
- (k) Institute of Chartered Accountants in England and Wales (ICAEW), UK
- (l) Institute of Internal Auditors (IIA);
- (m) Institute of Risk Management qualifications (IRM)
- (n) Insurance Institute of India (I.I.I), India
- (o) International Compliance Association (ICA), UK
- (p) Life Office Management Association (LOMA), USA
- (q) Society of Actuaries, USA
- (r) The Chartered Insurance Institute (CII), UK
- (s) The Institute and Faculty of Actuaries, UK
- (t) The Institutes, USA