



# **TRAINING AND COMPETENCY MODULE**



**MODULE:**

**TC (Training and Competency)**

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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 This Module presents requirements that have to be met by conventional bank licensees with respect to training and competency of individuals undertaking controlled functions (as defined in Paragraph LR-1A.1.2)
- TC-A.1.2 Module TC provides Rules and Guidance to conventional bank licensees to ensure satisfactory levels of competence, in terms of an individual's knowledge, skills, experience and professional qualifications. Conventional bank licensees, are required to demonstrate that individuals undertaking controlled functions are sufficiently competent, and are able to undertake their respective roles and responsibilities.
- TC-A.1.3 The Rules build upon Principles 3 and 9 of the Principles of Business (see Module PB (Principles of Business)). Principle 3 (Due Skill, Care and Diligence) requires conventional bank licensees and approved persons to observe high standards of integrity and fair dealing, and to be honest and straightforward in its dealings with clients. Principle 9 (Adequate Resources) requires conventional bank licensees to maintain adequate human, financial and other resources sufficient to run its business in an orderly manner.
- TC-A.1.4 Condition 4 of the Central Bank of Bahrain's ('CBB') Licensing Conditions (Chapter LR-2.4) and Chapter LR-1A (Approved Persons) of Module LR impose further requirements. To satisfy Condition 4 of the CBB's Licensing Conditions, a conventional bank licensee's staff, taken together, must collectively provide a sufficient range of skills and experience to manage the affairs of the licensee in a sound and prudent manner (LR-2.4). This condition specifies that conventional bank licensees must ensure their employees meet any training and competency requirements specified by the CBB. Chapter LR-1A (Approved Persons) of Module LR 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 a decision.

### *Legal Basis*

- TC-A.1.5** 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 conventional bank licensees (including their approved persons).

- TC-A.1.6 For an explanation of the CBB's rule-making powers and different regulatory instruments, see Section UG-1.1.



MODULE	TC: Training and Competency
CHAPTER	TC-A: Introduction

## TC-A.2 Module History

### *Evolution of the Module*

TC-A.2.1 This Module was first issued in October 2013. 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
Appendix TC-1	01/2014	Added Chartered Financial Analyst as possible qualification for heads of other functions.



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

## TC-B.1 Scope

### TC-B.1.1

This Module applies to all CBB conventional bank licensees authorised in the Kingdom. It covers the training and competency requirements for staff occupying controlled functions (See Chapter TC-1).

### TC-B.1.2

Module TC, unless otherwise stated, applies in full to both retail and wholesale conventional bank licensees licensed in Bahrain. In the case of an overseas conventional bank licensee, the application 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 holding controlled functions who are to be employed or to be appointed by the conventional bank licensee in connection with the conventional bank licensee's regulated banking services, or under a contract of service.

### TC-B.1.5

In the case of outsourcing arrangements, the conventional bank licensee should refer to the competency requirements, outlined in Appendix TC-1 for controlled functions, for assessing the suitability of the outsourcing provider.

### TC-B.1.6

Conventional bank licensees must satisfy the CBB that individuals performing a controlled function for it or on its behalf are suitable and competent to carry on that controlled function.

### TC-B.1.7

In implementing this Module, conventional bank licensees must ensure that individuals 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 Functions

### TC-1.1.1

Individuals occupying controlled functions (refer to Paragraphs LR-1A.1.5 to 1A.1.16) in a conventional bank licensee must be qualified and suitably experienced for their specific roles and responsibilities. The controlled functions are those of:

- (a) Board Member;
- (b) Chief Executive or General Manager and their Deputies;
- (c) Chief Financial Officer and/or Financial Controller;
- (d) Head of Risk Management;
- (e) Head of Internal Audit;
- (f) Head of Shari'a Review;
- (g) Compliance Officer;
- (h) Money Laundering Reporting Officer;
- (i) Deputy Money Laundering Reporting Officer; and
- (j) Heads of other Functions.

### TC-1.1.2

A conventional bank 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.

### TC-1.1.3

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 qualifications as it deems necessary.

#### *Board Member*

### TC-1.1.4

Board members collectively are responsible for the business performance and strategy of the conventional bank licensee, as outlined in more details in Section HC-1.2.

### TC-1.1.5

When taken as a whole, the board of directors of a conventional bank licensee must be able to demonstrate that it has the necessary skills and expertise, as outlined in Paragraph HC-1.2.10.



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

## TC-1.1 Controlled Functions (continued)

### *Chief Executive or General Manager*

#### TC-1.1.6

The chief executive or general manager and their deputies (as appropriate) are responsible for the executive management and performance of the conventional bank licensee within the framework or delegated authorities set by the Board. The scope of authority of the CEO and deputies is outlined in more detail in Subparagraph HC-6.3.2 (a).

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

#### TC-1.1.7

The chief financial officer/head of financial control is responsible for directing the bank's financial function, including ensuring that the relevant accounting treatment is applied to all of the activities of the bank in a timely manner. The scope of authority of the CFO/ Head of Financial Control is outlined in more detail in Subparagraph HC-6.3.2(b).

### *Head of Risk Management*

#### TC-1.1.8

Heads of risk management are responsible for the management and control of all risk exposures arising from the activities of the conventional bank licensee.

### *Head of Internal Audit*

#### TC-1.1.9

Heads of internal audit are responsible for providing independent and objective review on the adequacy and effectiveness of the holistic internal control environment within the conventional bank licensee. The duties of the head of internal audit are outlined in more detail in Subparagraph HC-6.3.2 (d).

### *Head of Shari'a Review*

#### TC-1.1.10

The head of Shari'a review in a conventional bank licensee, dealing with Islamic products and services, is responsible for the examination of the extent of a conventional bank licensee's compliance, in all its activities, with the Shari'a. This examination includes contracts, agreements, policies, products, transactions memorandum and articles of association, financial statements, reports (especially internal audit and central bank inspection), circulars, etc. The objective of the Shari'a review is to ensure that the activities carried out by a conventional bank licensee do not contravene the Shari'a.



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

## TC-1.1 Controlled Functions (continued)

### *Compliance Officer*

#### TC-1.1.11

In accordance with Paragraph LR-1A-1.12, an employee of appropriate standing must be designated by the conventional bank licensee for the position of compliance officer. The duties of the compliance officer, include:

- Having responsibility for oversight of the conventional bank licensee's compliance with the requirements of the CBB and other applicable laws and regulations;
- Raising awareness and providing training for the conventional bank licensee's staff on compliance issues; and
- Reporting to the conventional bank licensee's Board in respect of that responsibility.

### *Money Laundering Reporting Officer (MLRO) or Deputy Money Laundering Reporting Officer (DMLRO)*

#### TC-1.1.12

The attributes and responsibilities of the MLRO/DMLRO are described more fully in Paragraphs FC-4.1.6 and FC-4.2.1.

### *Heads of other Functions*

#### TC-1.1.13

Heads of other functions, where risk acquisition or control is involved, 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 conventional bank licensee.

#### TC-1.1.14

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





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

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

### *CPD*

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

**TC-1.2.2** A conventional bank licensee must ensure that an approved person undertaking a controlled function undergoes appropriate annual review and assessment of performance.

TC-1.2.3 The level of supervision should be proportionate to the level of competence demonstrated by the approved person. Supervision will 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-1.2.4 Supervisors of approved persons should have technical knowledge and relevant managerial skills.

### *Record Keeping*

TC-1.2.5 A conventional bank licensee should, for a minimum period of five years, retain 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; and
- (d) Results of evaluations conducted at the end of such training courses.



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

## TC-2.1 Recruitment and Assessing Competence

### *Recruitment and Appointment*

**TC-2.1.1** If a conventional bank licensee recruits or promotes an individual to undertake a controlled function, it must first 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 conventional bank licensee must demonstrate to the CBB that full consideration has been given to the qualifications and core competencies for controlled functions in Appendix TC-1. (See Article 65(b) of the CBB Law and Paragraph LR-2.3.1).

TC-2.1.2 Conventional bank licensees should refer to Module LR (Licensing Requirements) providing detailed requirements on the appointment of individuals occupying controlled functions (approved persons).

TC-2.1.3 A conventional bank licensee proposing to recruit an individual has to satisfy itself, of his/her relevant qualifications and experience. The conventional bank 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.

### *Record Keeping*

**TC-2.1.4** A conventional bank licensee must make and retain records of its recruitment procedures for a minimum period of five years. Such procedures should be designed to adequately take into account proof of the candidates' knowledge and skills and their previous activities and training.



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

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

### TC-2.1.5

In addition to recruitment procedures in Paragraph TC-2.1.4, the conventional bank licensee must retain the recruitment records of approved persons for a minimum period of five years following termination of their services or employment with the bank. Such records must include, but are 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.

### *Assessing Competence*

### TC-2.1.6

Conventional bank licensees must not allow an individual to undertake or supervise controlled functions unless that individual has been assessed by the conventional bank licensee as competent in accordance with this Section.

TC-2.1.7 In determining an individual's competence, conventional bank licensees may assess if the person is fit and proper in accordance with Chapter LR-1A.

### TC-2.1.8

Conventional bank 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-2.1.9 The assessment of competence will be dependent 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 with another conventional bank licensee.



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

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

TC-2.1.10 If a conventional bank licensee assesses an individual as competent in accordance with Paragraph TC-2.1.8 to perform a specific controlled function, it does not necessarily mean that the individual is competent to undertake other controlled functions.

TC-2.1.11 A conventional bank licensee should use methods of assessment that are appropriate to the controlled function and to the individual's role.

### *Record Keeping*

**TC-2.1.12** A conventional bank licensee must, for a minimum period of five years, make and retain updated records of:

- (a) The criteria applied in assessing the ongoing and continuing competence; and
- (b) How and when the competence decision was arrived at.

TC-2.1.13 For purposes of Paragraph TC-2.1.12, the record keeping requirements apply to both current employees as well as to employees following termination of their services or employment with the bank, for a minimum period of five years.



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

## TC-2.2 Training and Maintaining Competence

**TC-2.2.1** A conventional bank 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 conventional bank licensees must include a programme for continuous professional development training ('CPD') for their approved persons.

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 1 (Conventional Banks) Rulebook, in areas relevant to each controlled function.

TC-2.2.6 Conventional bank 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 conventional bank licensee's systems and to review how the conventional bank licensee ensures that its staff are competent and remain competent for their roles.

### *Maintaining Competence*

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



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

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

TC-2.2.8 A conventional bank 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) Any market changes and changes to products, legislation and regulation.

TC-2.2.9 A conventional bank licensee may utilise the CPD schemes of relevant professional bodies to demonstrate compliance with Paragraph TC-2.2.1. 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 Paragraph TC-2.2.1.

### *Record Keeping*

TC-2.2.10

A conventional bank licensee must, for a minimum period of five years, make and retain records of:

- (a) The criteria applied in assessing continuing competence;
- (b) The annual assessment of competence; and
- (c) Record of CPD hours undertaken by each approved person.



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

### TC-2.3 Transitional Period

#### TC-2.3.1

The requirements of this Module for conventional bank licensees are effective from the issuance date of this Module.

#### TC-2.3.2

New applications for approved persons are subject to the requirements of this Module (See Paragraph TC-B.1.4).

#### 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. 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 conventional bank licensee moves to another conventional bank licensee and occupies the same function, 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 conventional bank 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 conventional bank licensee moves from one department to another within the same conventional bank licensee.



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

## Qualifications and Core Competencies

Role	Core Competencies	How can competence be demonstrated?
Board Member	Board members should have:  (a) Sufficient experience to demonstrate sound business decision-making; and (b) A good understanding of the industry and its regulatory environment.	Competence is demonstrated by: (a) (i) Holding a Bachelor's Degree; and (ii) A minimum experience of 7 years in business and/or government/quasi government of which at least 4 years at a senior management level; OR (b) A minimum experience of 10 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) A good understanding of banking business and the wider industry and its regulatory environment; (c) Relevant experience and qualifications associated with such executive responsibilities; and (d) The necessary professional and leadership capabilities which qualify him for this position.	This person should have a minimum experience of 15 years in the banking sector of which at least 7 years at a senior management level in a bank. He/she should hold a relevant academic/professional qualification, preferably MBA, Masters in finance/accounting/economics or masters in any other subject, or preferably other qualification related to banking, accounting or finance.





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

### Qualifications and Core Competencies (continued)

Chief Financial Officer/ Head of Financial Control	<p>The Chief Financial Officer/ Head of Financial Control should have:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of the role and responsibilities associated with the position;</li> <li>(b) A good understanding of banking business and the wider industry and its regulatory environment;</li> <li>(c) The relevant experience and qualifications to fulfill his responsibilities; and</li> <li>(d) A good knowledge and understanding of international accounting standards and how they are applied in a business context, including IFRS, and where appropriate AAOIFI.</li> </ul>	<p>The Chief Financial Officer/ Head of Financial Control should have a minimum of 10 years of practical experience in a bank and of which at least 7 years in a finance function of a bank. Experience of external audit on banks will also be counted as part of the minimum experience requirements. He/she should:</p> <ul style="list-style-type: none"> <li>(a) Hold a relevant academic/professional qualification, preferably MBA, Masters in finance/accounting/economics or masters in any other subject, or preferably other qualification related to banking, accounting or finance; and</li> <li>(b) Have relevant certification(s) specific to this role. Such certifications may include but are not limited to: <ul style="list-style-type: none"> <li>(i) The Association of Chartered Certified Accountants (ACCA); or</li> <li>(ii) Certified Public Accountant (CPA); or</li> <li>(iii) Similar designation with a valid current practicing certificate.</li> </ul> </li> </ul>
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<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

### **Qualifications and Core Competencies (continued)**

Chief Risk Officer/ Head of Risk Management	<p>The Chief Risk Officer/Head of Risk Management should have:</p> <ul style="list-style-type: none"><li>(a) An appropriate level of experience and standing to demonstrate suitable independence from other functions within the bank;</li><li>(b) A clear understanding of the role and responsibilities associated with the position;</li><li>(c) A good understanding of banking business and the wider industry and its regulatory environment; and</li><li>(d) The relevant experience and qualifications to fulfill his responsibilities.</li></ul>	<p>The Chief Risk Officer/Head of Risk Management should have a minimum of 7 years of practical experience in a bank and of which at least 5 years in a risk management position. He/she should:</p> <ul style="list-style-type: none"><li>(a) Hold a degree from a university at bachelor level or higher or a relevant professional qualification; and</li><li>(b) Have relevant certification(s) specific to this role. Such certifications may include but are not limited to:<ul style="list-style-type: none"><li>(i) Institute of Risk Management qualifications (IRM); or</li><li>(ii) Financial Risk Manager (FRM); or</li><li>(iii) Professional Risk Manager (PRM); or</li><li>(iv) Other relevant qualifications.</li></ul></li></ul>
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<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## Qualifications and Core Competencies (continued)

Head of Internal Audit	<p>The Head of Internal Audit should have:</p> <ul style="list-style-type: none"> <li>(a) An appropriate level of experience and standing to demonstrate suitable independence from other functions within the bank;</li> <li>(b) A clear understanding of the role and responsibilities associated with the Internal Audit function;</li> <li>(c) A good understanding of banking business and the wider industry and its regulatory environment;</li> <li>(d) The relevant accounting and auditing experience and qualifications to fulfill his responsibilities; and</li> <li>(e) A demonstrable knowledge and understanding of the Standards for the Professional Practice of Internal Audit.</li> </ul>	<p>The Head of Internal audit should have a minimum experience of 7 years in a bank of which at least 5 years of that experience should have been in an internal audit role. He/she should:</p> <ul style="list-style-type: none"> <li>(a) Hold a university degree preferably in accounting or banking and finance or finance or a relevant professional qualification; and</li> <li>(b) Have relevant certification(s) specific to this role. Such certifications may include but are not limited to Chartered Internal Auditor (CIA) by the Institute of Internal Auditors.</li> </ul>
Head of Shari'a Review	<p>A Head of Shari'a Review should:</p> <ul style="list-style-type: none"> <li>(a) Have appropriate level of knowledge in Islamic Finance and Shari'a principles;</li> <li>(b) Have a good understanding of the banking industry and possess good knowledge of economics and finance; and</li> <li>(c) Understand how to interpret financial statements.</li> </ul>	<p>The Head of Shari'a Review should have a minimum of 5 years relevant experience in a bank or financial institution dealing with Islamic products and services. He/she should:</p> <ul style="list-style-type: none"> <li>(a) Hold a bachelor's degree in Shari'a, which includes study in Usul Fiqh (the origin of Islamic law) and/or Fiqh Muamalat (Islamic jurisprudence) or;</li> <li>(b) Hold a university degree in banking and finance together with a qualification in Shari'a review.</li> </ul>



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

## **Qualifications and Core Competencies (continued)**

Compliance Officer	<p>A Compliance Officer should have:</p> <ul style="list-style-type: none"><li>(a) An appropriate level of experience and standing to demonstrate suitable independence from other functions within the bank; and</li><li>(b) A thorough understanding of the industry and its applicable regulatory requirements.</li></ul>	<p>The Compliance Officer should have a minimum of 5 years relevant experience in a bank, financial institution or financial regulator He/she should:</p> <ul style="list-style-type: none"><li>(a) Hold a degree from a university at bachelor level or higher or a relevant professional qualification in compliance; and</li><li>(b) Have relevant certification(s) specific to this role. Such certifications may include but are not limited to:<ul style="list-style-type: none"><li>(i) International Diploma in Compliance offered by the International Compliance Association; and/or</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 qualification deemed suitable by the CBB. These may include qualifications in areas related to the license.</li></ul></li></ul>
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<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## Qualifications and Core Competencies (continued)

Money Laundering Reporting Officer (MLRO)/ Deputy Money Laundering Reporting Officer (DMLRO)	<p>The MLRO and DMLRO should:</p> <ul style="list-style-type: none"> <li>(a) Understand the business of the bank and how the Anti Money Laundering framework applies to it;</li> <li>(b) Demonstrate independence from bank staff who deal directly with customer; and</li> <li>(c) Have a thorough knowledge of the financial industry and be familiar with relevant FATF and applicable domestic regulatory requirements.</li> </ul>	<p>An MLRO should have a minimum experience of 5 years in the banking industry of which at least 3 years of experience in anti-money laundering or anti-money laundering related role. The DMLRO should have a minimum of 2 years experience in the banking industry of which at least 1 year experience in an anti-money laundering or anti- money laundering related role. The MLRO/ DMLRO should:</p> <ul style="list-style-type: none"> <li>(a) Hold a degree from a university at bachelor level or higher or a relevant professional qualification; and</li> <li>(b) Have relevant certification(s) specific to this role. Such certifications may include but are not limited to: <ul style="list-style-type: none"> <li>(i) Certified Anti-Money Laundering Specialist Examination (ACAMS) ; and/ or</li> <li>(ii) Diploma in Anti-Money Laundering offered by the International Compliance Association; and/ or</li> <li>(iii) International Diploma in Financial Crime Prevention offered by International Compliance Association; and/or</li> <li>(iv) International Advanced Certificate in Compliance and Financial Crime offered by the International Compliance Association.</li> </ul> </li> </ul>
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<b>MODULE</b>	<b>TC: Training and Competency</b>
<b>CHAPTER</b>	<b>Appendices: Appendix TC-1</b>

## Qualifications and Core Competencies (continued)

Heads of Other Functions	<p>Heads of Other Functions should have:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of the role and responsibilities associated with the function;</li> <li>(b) A good understanding of banking business and the wider industry and its regulatory environment; and</li> <li>(c) The relevant experience and qualifications to fulfill his responsibilities.</li> </ul>	<p>A senior manager responsible for a specialist function should have a minimum experience of 7 years in the banking/financial industry of which at least 5 years of experience in the same function that he/she will be heading. He/she should:</p> <ul style="list-style-type: none"> <li>(a) Hold a relevant academic/professional qualification, preferably MBA, Masters in finance/accounting/economics or masters in any other subject, and preferably other qualification related to banking/accounting; and</li> <li>(b) Have other relevant certification(s) specific to this role. Such certifications may, depending on the function being fulfilled, include but are not limited to: <ul style="list-style-type: none"> <li>(i) Chartered Financial Analyst (CFA);</li> <li>(ii) Certificate in Securities and Financial Derivatives;</li> <li>(iii) Certificate in Investment Management;</li> <li>(iv) Professional Certification in Accounting; and/or</li> <li>(v) Equivalent certificates or qualifications; and/or</li> <li>(vi) Advanced Diploma in Banking/ Islamic Finance or Financial Advisory Program from the BIBF or other institutions.</li> </ul> </li> </ul>
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