



# **TRAINING AND COMPETENCY MODULE**



<b>MODULE:</b>	<b>TC (Training and Competency)</b>
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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 investment firm licensees with respect to training and competency of individuals undertaking controlled functions (i.e. approved persons).
- TC-A.1.2 Module TC provides Rules and Guidance to investment firm licensees to ensure satisfactory levels of competence, in terms of an individual's knowledge, skills, experience and professional qualifications. Investment firm 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 an investment firm licensee 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 an investment firm licensee 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 AU-2.4) and Condition 1 of the Approved Persons regime (Chapter AU-3.1) impose further requirements. To satisfy Condition 4 of the CBB's Licensing Conditions, an investment firm 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 (AU-2.4). This condition specifies that investment firm licensees must ensure their employees meet any training and competency requirements specified by the CBB. Condition 1 of the Approved Persons Conditions (AU-3.1) sets forth the 'fit and proper' requirements in relation to competence, experience and expertise required by approved persons.

### *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 of the Central Bank of Bahrain and Financial Institutions Law 2006 ('CBB Law'). The Directive in this Module is applicable to all investment firm licensees (including their approved persons).



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

## **TC-A.1 Purpose**

### ***Executive Summary (continued)***

TC-A.1.6 Chapter AU-3 of Module AU (Authorisation), specifies that approved persons must be assessed by the CBB as ‘fit and proper’ to hold such a position. The Chapter specifies various factors that the CBB takes into account when reaching such a decision.

TC-A.1.7 For an explanation of the CBB’s rule-making powers and different regulatory instruments, see Section UG-1.1.



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

## TC-A.2 Module History

### *Evolution of the Module*

TC-A.2.1 This Module was first issued in July 2010. 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
TC-A.1.5	01/2011	Clarified legal basis.
TC-1.1.6, 1.1.9, 1.1.11, 1.1.13, 1.1.15, 1.1.18, 1.1.20 and 1.1.22	01/2011	Paragraphs deleted as considered duplicate and found in other parts of Volume 4.
TC-1.1.16	01/2011	Amended requirements for position of MLRO.
Appendix TC-1	01/2011	Clarified how competence can be demonstrated for the position of Director.
TC-1.1.7, TC-1.1.8, TC-1.1.10, TC-1.1.14	04/2011	Corrected cross references.
Appendix TC-1	01/2012	Added core competencies for compliance officer.
Module TC	10/2013	Removed references to Deputy Money Laundering Officer (DMLRO) to be in line with changes made to Module AU in January 2011.
Module TC	10/2013	Removed references to appointed representatives.

TC-A.2.3 Guidance on the implementation and transition to Volume 4 (Investment Business) is given in Module ES (Executive Summary).



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 investment firm licensees authorised in the Kingdom.

TC-B.1.2 Module TC, unless otherwise stated, applies in full to all three categories of investment firm licensees authorised in Bahrain. In the case of an overseas investment firm licensee, 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 holding controlled functions:

- (a) Who are employed by the investment firm licensee in connection with the investment firm licensee's regulated investment services, whether under a contract of service or for services or otherwise;
- (b) Whose services, under an arrangement between the investment firm licensee and a third party, are placed at the disposal and under the control of the investment firm licensee; or
- (c) Employed by the investment firm licensee, whether under a contract of service or for services or otherwise, for which that investment firm licensee has accepted responsibility.

**TC-B.1.5** Investment firm 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.1.6** In implementing this Module, investment firm licensees must ensure that:

- (a) Individuals recruited by the investment firm licensee to perform a controlled function hold suitable qualifications and experience appropriate to the nature of the business;
- (b) Individuals performing a controlled function remain competent for the work they do; and
- (c) Individuals performing a controlled function are appropriately supervised.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments

**TC-1.1.1** If an investment firm licensee recruits an individual to undertake a controlled function, it must satisfy itself, where appropriate, of such individual's relevant qualifications and experience.

TC-1.1.2 An investment firm licensee proposing to recruit an individual has to satisfy itself, of his/her relevant qualifications and experience. The investment firm licensee should:

- 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
- Take reasonable steps to obtain sufficient information about the individual's background, experience, training and qualifications.

**TC-1.1.3** In accordance with AU-1.1.24, a firm which is an Islamic investment firm licensee must maintain a Shari'a Supervisory Board to verify that its operations are Shari'a compliant, and must comply with relevant AAOIFI standards.

**TC-1.1.4** Individuals occupying controlled functions (refer to Paragraphs AU-1.2.7 to 1.2.15) in an investment firm licensee must be qualified and suitably experienced for their specific roles and responsibilities. The controlled functions are those of:

- Director;
- Chief Executive or General Manager;
- Head of function;
- Compliance officer;
- Money Laundering Reporting Officer ('MLRO');
- [This Subparagraph was deleted in October 2013];
- Member of Shari'a Supervisory Board (where applicable);
- Financial instruments trader; and
- Investment consultant or investment adviser.

**TC-1.1.5** An investment firm 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 qualifications as it deems necessary.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments (continued)

### *Director*

TC-1.1.6

[Paragraph deleted in January 2011].

TC-1.1.7

The role of the director is to be accountable and responsible for the management and performance of the licensee, and is outlined in more details in Section HC-1.2.

TC-1.1.8

When taken as a whole, the board of directors of an investment firm licensee must be able to demonstrate that it has the necessary expertise, as outlined in Paragraph HC-1.2.4.

### *Chief Executive or General Manager*

TC-1.1.9

[Paragraph deleted in January 2011].

TC-1.1.10

The chief executive officer or general manager (as appropriate) is responsible for the executive management and performance of the licensee within the framework or delegated authorities set by the Board, and is outlined in more details in Paragraph HC-6.3.4.

### *Head of Function*

TC-1.1.11

[Paragraph deleted in January 2011].

TC-1.1.12

Heads of 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 investment firm licensee.





MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments (continued)

### *Compliance Officer*

TC-1.1.13

[Paragraph deleted in January 2011].

TC-1.1.14

In accordance with Paragraph AU-1.2.16, an employee of appropriate standing must be designated by investment firm licensees for the position of compliance officer. The duties of the compliance officer, who must have Bahraini residency, are outlined in more details in Section HC-6.5 and include:

- (a) Having responsibility for oversight of the licensee's compliance with the requirements of the CBB; and
- (b) Reporting to the licensee's Board in respect of that responsibility.

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

TC-1.1.15

[Paragraph deleted in January 2011].

TC-1.1.16

In order to carry out the function of **MLRO** effectively, investment firm licensees must ensure that their **MLRO**:

- (a) Is a member of senior management of the licensee and has a sufficient level of seniority within the licensee, has the authority to act without interference from business line management and has direct access to the Board and senior management (where necessary);
- (b) [Subparagraph (b) combined with (a) in January 2011];
- (c) Has sufficient resources, including sufficient time and (if necessary) support staff, and has designated a **replacement to** carry out the function should the MLRO be unable to perform his duties;
- (d) Has unrestricted access to all transactional information relating to any financial services provided by the licensee to that customer, or any transactions conducted by the licensee on behalf of a customer;
- (e) Is provided with timely information needed to identify, analyse and effectively monitor customer accounts;
- (f) Has access to all customer due diligence information obtained by the licensee; and
- (g) Is resident in Bahrain.



MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments (continued)

### TC-1.1.17

As outlined in Paragraph FC-3.2.1, the role and responsibilities of the **MLRO** involve, but are not limited to, the following:

- (a) Establishing and maintaining the investment firm licensee's Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CFT) policies and procedures;
- (b) Ensuring compliance with the AML Law, any other applicable AML/CFT legislation as well as rules and guidance pertaining to Module FC;
- (c) Ensuring day-to-day compliance with the licensee's own internal AML/CFT policies and procedures;
- (d) Acting as the licensee's main point of contact for internal suspicious transaction reports from the licensee's staff, (refer to Section FC-4.1), and as the main contact for the Financial Intelligence Unit, the CBB and other concerned bodies regarding AML/CFT;
- (e) Making external suspicious transaction reports to the Financial Intelligence Unit and Compliance Directorate (refer to Section FC-4.2);
- (f) Taking reasonable steps to establish and maintain adequate arrangements for staff awareness and training on AML/CFT matters (whether internal or external), as per Section FC-5;
- (g) Producing annual reports on the effectiveness of the licensee's AML/CFT controls, for consideration by senior management, as per Paragraph FC-3.3.1;
- (h) On-going monitoring of what may, in his opinion, constitute high-risk customer accounts; and
- (i) Maintaining all necessary customer due diligence (CDD), transactions, suspicious transaction reports (STR) and staff training records for the required periods (see Section FC-6.1).



MODULE	TC: Training and Competency
CHAPTER	TC-1: Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments (continued)

### *Member of the Shari'a Supervisory Board*

TC-1.1.18 [Paragraph deleted in January 2011].

TC-1.1.19 As outlined in AAOIFI's governance standard No.1, the Shari'a Supervisory Board is entrusted with the duty of directing, reviewing and supervising the activities of the Islamic financial institutions in order to ensure that it is in compliance with Islamic Shari'a Rules and Principles.

### *Financial Instruments Trader*

TC-1.1.20 [Paragraph deleted in January 2011].

TC-1.1.21 In accordance with Rule AU-1.2.12, the role of financial instruments traders, who must be knowledgeable of various areas within the financial industry and any significant market developments, involves:

- (a) Buying financial instruments; or
- (b) Selling financial instruments.

### *Investment Consultant or Investment Adviser*

TC-1.1.22 [Paragraph deleted in January 2011].

TC-1.1.23 In accordance with Rule AU-1.2.13, investment consultants or investment advisers are responsible for:

- (a) Arranging deals in financial instruments; and/or
- (b) Providing advice to clients with regards to financial instruments.

TC-1.1.24 Individuals holding the position of investment consultant or investment adviser **must** comply with the rules and guidance set forth in Module BC, particularly the Investment Business Code of Practice ('the Code')



MODULE	TC:	Training and Competency
CHAPTER	TC-1:	Recruitment and Assessing Competence

## TC-1.1 Recruitment and Appointments (continued)

### *Record Keeping*

#### TC-1.1.25

An investment firm licensee must make and retain records of its recruitment procedures. Such procedures should be designed to adequately take into account proof of the candidates' knowledge and skills and their previous activities and training.

- TC-1.1.26 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>TC-1: Recruitment and Assessing Competence</b>

## **TC-1.2 Assessing Competence**

### **TC-1.2.1**

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

TC-1.2.2 In the case of new personnel, the investment firm licensee should ensure that they work under proper supervision. Where a person is working towards attaining a level of competence, they should be supervised by a competent person until they can demonstrate the appropriate level of competence. It is the investment firm licensee's responsibility to ensure that such arrangements are in place and working successfully.

TC-1.2.3 In determining an individual's competence, licensees may assess if the person is fit and proper in accordance with Chapter AU-3.

### **TC-1.2.4**

**Investment firm licensees will assess individuals as competent when they have demonstrated the ability to apply the knowledge and skills required to perform a specific controlled function without supervision.**

TC-1.2.5 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 investment firm licensee.

TC-1.2.6 If an investment firm licensee assesses an individual as competent in accordance with TC-1.2.4 to perform a specific controlled function, it does not necessarily mean that the individual is competent to undertake other controlled functions.

TC-1.2.7 A firm should use methods of assessment that are appropriate to the controlled function and to the individual's role.

### ***Record Keeping***

### **TC-1.2.8**

**An investment firm licensee should 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.**



MODULE	TC: Training and Competency
CHAPTER	TC-2: Training and Maintaining Competence

## TC-2.1 Training and Supervision

**TC-2.1.1** An investment firm 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-2.1.2 The assessment and training plan described in Paragraph TC-2.1.1 should be aimed at ensuring that the relevant approved person maintains competence in the controlled function. Training does not necessarily just simply attendance of courses. 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-2.1.3** The training plan of investment firm licensees must include a programme for continuous professional development training (“**CPD**”) for their staff.

TC-2.1.4 Approved persons may choose to fulfil their **CPD** requirements by attending courses and seminars at local or foreign training institutions, some of which are set out in Appendix TC-2.

**TC-2.1.5** The annual training needs assessment required under Paragraph TC-2.1.1 must also consider quarterly updates, if any, to the CBB Volume 4 (Investment Business) Rulebook, in areas relevant to each controlled function.

### *Continuous Professional Development (CPD)*

**TC-2.1.6** Individuals holding the controlled functions of compliance officer and **MLRO in an investment firm licensee** must undergo a minimum of 15 hours of **CPD**, in their area, per annum.



MODULE	TC: Training and Competency
CHAPTER	TC-2: Training and Maintaining Competence

## TC-2.1 Training and Supervision (continued)

### TC-2.1.7

An investment firm licensee should ensure that an approved person undertaking a controlled function undergo appropriate review and assessment of performance.

TC-2.1.8 The level of review and assessment should be proportionate to the level of competence demonstrated by the approved person. Review and assessment should take place on a regular basis and include coaching and assessing performance against the competencies necessary for the role.

TC-2.1.9 Assessors of approved persons should have technical knowledge and relevant skills, e.g. coaching and assessment skills.

### *Record Keeping*

### TC-2.1.10

An investment firm licensee should make and 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.

TC-2.1.11 Investment firm 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 investment firm licensee's systems and to review how the licensee ensures that its staff are competent and remain competent for their roles.



MODULE	TC: Training and Competency
CHAPTER	TC-2: Training and Maintaining Competence

## TC-2.2 Maintaining Competence

**TC-2.2.1** An investment firm licensee must make appropriate arrangements to ensure that approved persons maintain competence.

TC-2.2.2 An investment firm 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-2.2.3 An investment firm 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 professional bodies in Bahrain. 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.

### *Record Keeping*

**TC-2.2.4** An investment firm licensee should 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-3: Transitional Provisions

## TC-3.1 Transitional Period

**TC-3.1.1** The requirements of Module TC for investment firm licensees are effective from 1<sup>st</sup> July 2010.

**TC-3.1.2** Where approved persons holding controlled functions are occupying positions within the investment firm licensee, do not meet the qualifications and core competencies outlined in Appendix TC-1 at the time of the issuance of Module TC, the investment firm licensee must ensure that such individuals will meet the requirements of Module TC by 31<sup>st</sup> December 2011 at the latest.



<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?
Director	Directors should have:  (a) Experience to demonstrate sound business decision-making; and (b) A good understanding of the industry and its regulatory environment.	This person should be experienced in the industry. Competence could be demonstrated by:  (a) Holding a relevant professional qualification; or (b) A minimum length of service (at least 5 years at director or senior management level) in the industry or another industry.
Chief Executive or General Manager	These roles require:  (a) A clear understanding of the role and responsibilities associated with this position; (b) A good understanding of the licensee's business, the broader industry and its regulatory environment; and (c) The relevant experience and qualifications associated with any executive responsibilities.	This person should be experienced as a senior manager in the financial services industry for a minimum of 5 years. Ways of demonstrating competence could include holding or working towards a relevant qualification.  Relevant qualifications should involve an examination of topics such as the general economic background, financial markets, legal issues, clients' financial needs and objectives, relevant social issues, regulatory codes and legislation, roles of financial advisers, in addition to risks, costs and benefits of financial products.



<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)**

Head of Function	<p>This role requires:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of the role and responsibilities associated with the relevant function;</li> <li>(b) A good understanding of the licensee's business, the broader industry and its regulatory environment; and</li> <li>(c) The relevant experience and qualifications to fulfill their responsibilities.</li> </ul>	<p>A senior manager responsible for a specialist function should demonstrate the competencies required for that role.</p> <p>The person must have area specific experience/qualifications as required for head of function. These include accounting qualifications for financial managers, Bachelors degree in Banking or Finance, MBA, etc.</p> <p>Certain roles may require qualifications such as the CISI/ESA Islamic Finance Qualification, or other relevant certifications. The benchmark qualifications include certifications issued by a recognized institute such as any:</p> <ul style="list-style-type: none"> <li>(a) Certificate in Securities;</li> <li>(b) Certificate in Securities and Financial Derivatives;</li> <li>(c) Certificate in Investment Management;</li> <li>(d) Professional Certification in Accounting; and/or</li> <li>(e) Equivalent certificates or degrees.</li> </ul> <p>The head of function should have at least 5 years of experience in the industry and will typically hold, or be working towards, a relevant professional qualification in the field of banking and finance, or as appropriate to the controlled function.</p>
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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 of Controlled Functions (continued)**

Head of Treasury	<p>In addition to the requirements outlined for individuals holding positions of head of function, this role requires:</p> <ul style="list-style-type: none"> <li>(a) A clear understanding of banking and treasury related products;</li> <li>(b) A clear understanding of the Asset Liability Management and Risk Management; and</li> <li>(c) A good understanding of the Financial Markets, Capital Markets, Latest Product Offering, hands-on working knowledge of the various treasury systems and risk management functions.</li> </ul>	<p>The treasury function is highly specialised, and as such, the head of this function needs to satisfy further qualifications in comparison to other function heads.</p> <p>In addition to holding a minimum of 5 years of experience, the Head of Treasury must also hold certifications required for a head of function.</p> <p>Additional qualifications for the Head of Treasury may include the following certifications issued by a recognized institute:</p> <ul style="list-style-type: none"> <li>(a) MBA (Finance and Marketing);</li> <li>(b) ACI Diploma;</li> <li>(c) CFA;</li> <li>(d) ACI Dealing Certificate, ACI Operations Certificate;</li> <li>(e) General Securities Representative Qualification (Series 7); and/or</li> <li>(f) PRM.</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 of Controlled Functions (continued)

Role	Core Competencies	How can competence be demonstrated?
Compliance Officer	<p>A Compliance Officer should:</p> <ul style="list-style-type: none"> <li>(a) Have the ability and experience to take responsibility for implementing and maintaining compliance policies;</li> <li>(b) Have the appropriate level of experience to demonstrate independence from other functions within the licensee;</li> <li>(c) Have a thorough understanding of the industry and the applicable regulatory framework;</li> <li>(d) Have knowledge of different types of investment structures and the structural and operational arrangements of <u>investment firm licensees</u>;</li> <li>(e) Have knowledge of the financial instruments dealt by the licensee; and</li> <li>(f) Have knowledge of the requirements for providing services in other jurisdictions.</li> </ul> <p>The level of required competence varies based on the scope, magnitude and complexity of the licensee.</p>	<p>The person should have a minimum of 2 years of relevant experience in a compliance function of a financial institution.</p> <p>Additional relevant certifications may include:</p> <ul style="list-style-type: none"> <li>(a) Diploma in International Compliance offered by the International Compliance Association; and/or</li> <li>(b) Other relevant professional qualification.</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)

Money Laundering Reporting Officer (MLRO)	<p>The MLRO should:</p> <ul style="list-style-type: none"> <li>(a) Understand the business and how the Anti Money Laundering framework applies thereto; and</li> <li>(b) Have the appropriate level of experience to demonstrate independence from staff of the licensee dealing directly with customers.</li> </ul>	<p>An MLRO will typically hold a relevant professional qualification and/or a qualification related to the financial activities. These may include:</p> <ul style="list-style-type: none"> <li>(a) Certified Anti-Money Laundering Specialist Examination (ACAMS);</li> <li>(b) Other relevant MLRO programs; and/or</li> <li>(c) Diploma in International Compliance offered by the International Compliance Association.</li> </ul> <p>Additionally, he must have undergone training in anti money laundering, in a recognized institute. The initial training must be for a period of 35 hours or more.</p> <p>MLROs should have thorough knowledge of the financial institutions industry and be familiar with relevant international standards and applicable domestic regulatory requirements.</p>
Members of Shari'a Supervisory Board	<p>This role requires:</p> <ul style="list-style-type: none"> <li>(a) An appropriate level of knowledge of Islamic Finance and related rules and their application to the industry; and</li> <li>(b) A good understanding of the industry.</li> </ul>	<p>Members of a Shari'a Supervisory Board should be:</p> <ul style="list-style-type: none"> <li>(a) Highly experienced in their field; and</li> <li>(b) Specialized jurists in Fiqh Al-Mua'malat (Islamic commercial jurisprudence) and familiar with Islamic finance.</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)

Financial Instruments Trader	<p>This role requires:</p> <ul style="list-style-type: none"> <li>(a) A thorough understanding of Financial Markets, Capital Markets, Latest product offering, working knowledge of the various treasury systems, Asset Liability Management (ALM) and risk management functions; and</li> <li>(b) Understanding of the industry and its regulatory environment.</li> </ul>	<p>The benchmark qualifications include certifications issued by a recognized institute such as:</p> <ul style="list-style-type: none"> <li>(a) Any professional qualification/degree in accounting, finance, banking, and/or investment management;</li> <li>(b) ACI Dealing Diploma/Certificate (The Financial Markets Association);</li> <li>(c) CFA;</li> <li>(d) General Securities Representative Qualification (Series 7);</li> <li>(e) Any certificate in Securities;</li> <li>(f) Any certificate in Securities and Financial Derivatives;</li> <li>(g) Any certificate in Investment Management;</li> <li>(h) Certified Islamic Professional Accountant; and/or</li> <li>(i) Equivalent certificates or degrees.</li> </ul>
Investment Consultant/Investment Adviser	<p>This role requires:</p> <ul style="list-style-type: none"> <li>(a) A thorough understanding of Financial products, Financial Markets, Capital Markets, latest product offering, Asset Liability Management and risk management functions;</li> <li>(b) An awareness of tax issues associated with investment activities (where applicable); and</li> <li>(c) An understanding of the Investment Code of Practice ('the Code').</li> </ul>	<p>It is expected that any person who is involved in advising customers on investment products has attained an appropriate qualification such as:</p> <ul style="list-style-type: none"> <li>(a) Any professional qualification/degree in accounting, finance, banking, and/or investment management;</li> <li>(b) ACI Dealing Diploma/Certificate (The Financial Markets Association);</li> <li>(c) CFA;</li> <li>(d) General Securities Representative Qualification (Series 7);</li> <li>(e) Certificate in Financial Planning papers 1-3 (The Chartered Insurance Institute);</li> <li>(f) IFA Certificate for Financial Advisers;</li> <li>(g) Any Securities Investment Institute/ Financial Adviser qualification; and/or</li> <li>(h) Any equivalent or higher level qualification.</li> </ul>

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

## Professional Bodies and Qualifications

### *Relevant Professional Bodies*

- (a) Any accredited university
- (b) Institute of Chartered Secretaries and Administrators (ICSA)
- (c) Certified Financial Analyst (CFA) Institute
- (d) American Institute of Certified Public Accountants (AICPA)
- (e) Institute of Management Accountants (IMA)
- (f) Chartered Alternative Investment Analyst Association (CAIA)
- (g) Association of Chartered Certified Accountants (ACCA)
- (h) Chartered Institute for Securities & Investment (CISI)
- (i) Association Cambiste Internationale, Paris (ACI)
- (j) Professional Risk Managers' International Association (PRIMA)
- (k) Financial Industry Regulatory Authority (FINRA), formerly National Association of Securities Dealers (NASD)
- (l) International Compliance Association

### *Courses for CPD in Bahrain*

- (a) Courses and certifications in the following areas:
  - Banking
  - Investment Management
  - Islamic Finance
  - Insurance
  - Leadership and Management
  - Accounting
  - Information Technology
  - Anti Money Laundering
- (b) Other training courses and diplomas in areas of banking and finance