

ICA International Advanced Certification in Regulatory Compliance Syllabus (Insurance, Malaysia)

Unit 1 Understanding Governance, Risk and Compliance

Learning objectives

The purpose of this unit is to:

- explain why we need regulation
- examine the impact of the global credit crisis
- consider whether existing regulation failed at the time
- outline the underlying objectives of regulation
- define governance, risk and compliance and examine why they are intrinsically related.

Unit content

- 1. The objectives of regulation in the general insurance market**
 - 1.1 The central regulatory objectives
 - 1.1.1 Consumer protection
 - 1.1.2 Facilitating fair, efficient and transparent markets
 - 1.1.3 Reducing systemic risk
 - 1.1.4 Reducing financial crime
 - 1.1.5 Enhancing consumer confidence
 - 1.1.6 Promoting and protecting the reputation of the market
 - 1.2 Examples of different regulators objectives
 - 1.2.1 Bank Negara Malaysia's regulatory objectives
 - 1.2.2 UK regulatory objectives
 - 1.2.3 US regulatory objectives
 - 1.2.4 Hong Kong regulators
 - 1.2.5 Singapore regulator
- 2. Effective Governance, Risk and Compliance (GRC)**
 - 2.1 Governance Risk
 - 2.2 Compliance
 - 2.3 Why do we need GRC in our firms?
 - 2.4 The cultural components of effective GRC
 - 2.4.1 Risk culture
 - 2.4.2 Compliance culture
 - 2.4.3 Governance culture
- 3. Preparing for regulatory change**
 - 3.1 Where to begin with a GRC regulatory strategy
 - 3.1.1 The contribution of GRC failures to regulatory compliance failure
 - 3.1.2 Establishing the importance of ethics and integrity
 - 3.1.3 Are there human barriers to overcome?
 - 3.2 Linking ethics and culture
 - 3.3 The requirement to demonstrate effective GRC

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- 3.3.1 The role of the board
- 3.3.2 The roles of the Risk and Compliance functions
- 3.3.3 The part everyone must play
- 3.3.4 Regulatory assurance

4. Promoting a successful GRC framework

- 4.1 The benefits of effective GRC
 - 4.1.1 Benefits for the consumer
 - 4.1.2 Benefits for the regulator
 - 4.1.3 Benefits for the company

5. Where next for GRC?

Learning outcomes

By the end of this unit the learner should be able to:

- outline the historical issues, including some past scandals, that have led to today's emphasis on regulation
- outline the objectives of international regulation in the general insurance industry and see how these are approached
- explain what effective GRC is, why it is important, who is responsible for inculcating it throughout a firm and, in broad terms, how this might be done
- appreciate that the regulatory landscape is going to continue to change and know how GRC can help in preparing the firm and its employees for future events
- outline the links between the various aspects of the GRC framework and explain how embedding these within the firm will benefit the consumer, the regulator and, in consequence, the firm itself

Unit 2 Ethics, Integrity and Organisational Culture: Taking GRC to the Next Level

Learning Objectives

The purpose of this unit is to:

- explain what is meant by 'values', 'integrity' 'ethics' and 'principles' in the context of insurance
- discuss the role of regulators in the new emphasis on principles and ethics
- outline what constitutes corporate social responsibility (CSR) and its role in governance
- discuss the value of ethics, integrity and CSR in promoting a firm's reputation, enhancing its business and combating financial crimes.

Unit content

1. Defining values, ethics and principles in the general insurance industry

- 1.1 Different types of value
- 1.2 Values and regulators
- 1.3 Values and customers

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2 The role of principles in regulation

2.1 Ethics is now a serious issue

2.2 Impact of the global financial crisis on ethical concerns

3 How corporate social responsibility fits in

4 Convergence of values, ethics, principles and corporate social responsibility

4.1 A values-developmental model

5 Formulating and implementing a principles-based, business ethics and CSR approach

5.1 Making the business case

5.1.1 Defining benefits

5.1.2 Statutory requirements

5.1.3 Examples of corporate governance codes

- *Malaysia*
- *International*
- *The United Kingdom*
- *Australia*
- *Canada*
- *Denmark*
- *Norway*
- *Qatar*

5.1.4 Pressure from shareholder activism

5.1.5 Consumer opportunities

5.2 Implementing a principles-based, values-led compliance culture

5.2.1 How to develop corporate values and culture

5.2.2 Asking the right questions

5.3 Sustainable development

6 Accountability

6.1 The triple bottom line

6.2 In pursuit of a purpose

7 An example of ethics and integrity in practice: the prevention of financial crimes

7.1 A robust ethical culture

7.1.1 Staff

7.1.2 Third parties

7.1.3 Board and senior management

7.1.4 The framework

Learning outcomes

By the end of this unit the learner should be able to:

- explain how ethics, integrity and values underlie the principles of regulation that have been given increased emphasis since the global financial crisis

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- outline the role of regulators' instructions in communicating values to the general insurance industry, and how a firm's values affect its relationships with regulators and customers
- explain why regulation has become much more principles-based since the global financial crisis
- outline how and why ethics have risen to prominence in the business arena since the global financial crisis
- appreciate what CSR is, relate it to your own firm's governance and activities and explain how CSR interacts with values, ethics and principles in how firms do business
- create a sound business case for implementing policies to promote an ethical, CSR-based culture, taking into account the domestic legal and international aspects
- develop a principles-based, values-led compliance culture and understand the importance of achieving this rather than a box-ticking approach to compliance
- appreciate the importance of firms' accountability for their policies and actions, and know how to demonstrate this in practice, for instance through publishing 'triple bottom line' information

Unit 3 Understanding the Complete Regulatory Environment

Learning Objectives

The purpose of this unit is to:

- consider the factors that have influenced the evolution of the regulatory framework
- provide an awareness of the most significant international organisations and initiatives in the regulatory arena
- explain what the relevant legislation is and how it is applied
- create an awareness of the inconsistencies in regulatory standards and application across jurisdictions
- examine the link between law and regulation
- examine the different approaches to regulation and regulatory models
- explain the types of regulatory rules in place and the core activities of regulators.

Unit content

- 1. How did we get to where we are today?**
 - 1.1 The regulatory timeline
 - 1.1.1 Financial scandals
 - 1.1.2 Political changes
 - 1.1.3 World events and international pressure
 - 1.2 The reactive nature of regulation
- 2. Key influencers and their interests**
 - 2.1 The industry
 - 2.2 Politics
 - 2.3 Economics
 - 2.4 Environments aspects
 - 2.4.1 Consumers

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2.4.2 The media

3. The structural basis of GRC regulation

3.1 Regulatory structures: Law

3.1.1 Criminal law

3.1.2 Civil law

3.1.3 Administrative law

3.2 Regulatory structures: Regulations

3.3 Regulatory structures: Rules

3.4 The choice of regulatory approach

3.4.1 The case for and against rules-based regulation

3.4.2 The case for and against principles-based regulation

3.4.3 Rules-based or principles based?

3.4.4 Increasing focus on outcome-based regulation

3.5 Regulatory structures: Guidance

3.6 Regulatory structures: Codes of conduct

3.7 Regulatory models

3.7.1 Institutional regulation

3.7.2 Functional regulation

3.7.3 Regulation by objectives

4. Regulatory methodology

4.1 Review of internal systems and corporate governance arrangements

4.2 Independence, accountability and transparency

4.2.1 Internal safeguards

4.2.2 External safeguards

5. Regulatory approach

5.1 The risk-based approach

Learning outcomes

By the end of this unit the learner should be able to:

- explain how a series of scandals, other world events and political changes have shaped regulatory objectives
- appreciate the roles of the media and consumers in influencing politicians, regulators and the markets
- explain the roles of criminal law, civil law and administrative law in shaping regulation and its objectives
- understand the differences between rules-based, principles-based, more principles-based, and outcome-based regulation, and the advantages and drawbacks of each
- appreciate the role of official guidance and codes of conduct published by various interested parties in helping firms to comply with regulation
- outline what is meant by institutional regulation, functional regulation, regulation by objectives and regulation by a single regulator

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- understand the risk-based approach to regulation and what this means for the regulator and the regulated firms.

Unit 4 Know Your Regulator

Learning objectives

The purpose of this unit is to:

- define regulation and the objectives of regulation
- identify how regulators assess the risks posed by the firms they supervise
- look at the powers of regulators
- explain how regulatory structures reflect the regulated environment in a jurisdiction
- consider international complexities and how these influence the individual jurisdiction
- review examples of different regulatory structures and models from around the world
- describe and explain international contexts and the need for uniformity in legislation and regulation.

Unit content

1. Regulatory objectives and the concept of regulation

- 1.1 Objective 1: To protect consumers
- 1.2 Objective 2: To ensure that markets are fair, efficient and transparent
- 1.3 Objective 3: To reduce systemic risk
- 1.4 Objective 4: To protect insurance markets from financial crime
- 1.5 Objective 5: To maintain consumer confidence in the insurance industry
- 1.6 Overlapping regulatory objectives

2. The risk based approach to regulation

- 2.1 What constitutes risk for a regulator?
- 2.2 How does assessed risk change the way a firm is regulated?

3 The powers of regulators

- 3.1 Authorisation
 - 3.1.1 Passporting
 - 3.1.2 Individual authorisation
- 3.2 Standard setting
- 3.3 Supervision
 - 3.3.1 Compliance visits
 - 3.3.2 Hot topics or themes
- 3.4 Enforcement
 - 3.4.1 Recent enforcement trends

4 Regulatory structures reflect the regulated environment

- 4.1 Home and host regulation (Malaysia)
- 4.2 International complexity
- 4.3 Examples of different regulatory structures

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- 4.3.1 The US
- 4.3.2 Hong Kong
- 4.3.3 Australia
- 4.3.4 The UK
- 4.3.5 Republic of Ireland
- 4.3.6 China
- 4.3.7 India
- 4.3.8 European Union (EU)

5 International contexts and considerations

- 5.1 How the EU shapes regulation among its member states
- 5.2 Extraterritoriality

Learning outcomes

By the end of this unit the learner should:

- understand how the need for regulation arose, describe the main objectives of regulation and understand why they are important
- understand and explain what constitutes risk from a regulator's viewpoint and what is meant by a risk-based approach to regulation
- explain the significance and purpose of the different regulatory powers of authorisation, standard setting, supervision and enforcement
- appreciate how different regulatory structures and models have evolved in response to the different regulated environments worldwide and how they affect firms operating across borders
- describe examples of international regulation, the relationship it has with national regulation and the significance of extraterritoriality, and explain why these considerations are particularly relevant today.

Unit 5 What is the Role of the Compliance Function?

Learning objectives

The purpose of this unit is to:

- examine the role of the compliance function as a trainer, an educator and an adviser and in providing assurance to the business
- discuss the key internal and external relationships, and why they are so critical to the regulated business
- explain what is meant by consumer conduct and market conduct
- discuss prudential compliance and why it is so critical in a post financial crisis world
- review the role of the compliance officer today, and the skills a compliance professional needs in order to be successful in the compliance role.

1. The educator

- 1.1 The compliance function's role in training
- 1.2 The stages of the training programme
 - 1.2.1 Considering organisational training needs

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- 1.2.2 Setting training objectives
- 1.2.3 Training provision
- 1.2.4 Devising individual training plans
- 1.2.5 Training evaluation
- 1.2.6 Continuous professional development

1.3 The compliance function's role in education

- 1.3.1 Technical education
- 1.3.2 Skills and behaviours education

2. The advisor

2.1 Planned advise

- 2.1.1 The purpose of advisory activities
- 2.1.2 Horizon scanning and regulatory analysis

2.2 Ad hoc advice

- 2.2.1 The need for business awareness
- 2.2.2 Impact analysis

3. Providing assurance

3.1 Monitoring plans

- 3.1.1 The critical importance of monitoring
- 3.1.2 Identifying compliance risks
- 3.1.3 Self-assessment
- 3.1.4 Reporting requirements

3.2 Management Information (MI)

- 3.2.1 Ownership of MI
- 3.2.2 Timeliness of MI
- 3.2.3 The audience for the MI

4. Relationship management

4.1 Key relationships

- 4.1.1 Key internal relationships
- 4.1.2 Key external relationships
- 4.1.3 The importance and benefits of these relationships

5. Conduct of business compliance

5.1 Consumer conduct

- 5.1.1 Examples

5.2 Conduct Risk

- 5.2.1 Understanding your firm's definitions of conduct risk
- 5.2.2 The benefits of good conduct
- 5.2.3 Business risk and best practices

5.3 Market conduct

- 5.3.1 Market confidence
- 5.3.2 Examples of failures to maintain proper market conduct

5.4 Market stability

- 5.4.1 Examples of potential threats to market stability

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6. Overseeing prudential compliance

6.1 Prudential Management of Insurers

6.2 Senior management responsibilities

6.1.1 'Fit and proper' requirements

7. Recent developments in the role of the Compliance Officer

7.1 How the role has changed significantly

7.1.1 Evolution and focus

7.1.2 The GRC context

7.2 Key technical knowledge and skills needed now

7.2.1 Role-related knowledge

7.2.2 Analytical, investigative and research skills

7.2.3 Business awareness and pragmatism

7.2.4 Presentation and training skills

7.3 Key personal skills and qualities needed now

7.3.1 Listening skills

7.3.2 Communication skills

7.3.3 Influence

7.3.4 Negotiation skills

7.3.5 Management skills

7.4 Which skill is the most important?

Learning outcomes

By the end of this unit the learner should:

- be aware of the different forms of training and the stages of the training process, and understand your responsibility for maintaining employees' core competence in meeting regulatory requirements
- be aware of the difference between 'hard' and 'soft' skills and the importance of both
- appreciate the importance, for achieving compliance objectives, of thoroughly understanding the work and objectives of all the firm's business units
- know the responsibilities of a Head of Compliance and other compliance professionals for advising other business units, both on a planned and ad hoc basis, on regulatory and compliance matters
- appreciate the importance of monitoring business activities and be able to advise business units on how to go about this
- know what and when to report to the board so that the directors can fulfil their responsibilities for ensuring regulatory compliance
- be able to identify the key relationships, both internal and external, in the compliance professional's work, understand the importance of each for carrying out the role effectively and know how to develop and maintain them
- be able to explain the significance of conduct of business regulation, and how to meet the objectives of protecting investors, maintaining public confidence in the financial system and preserving market stability
- be able to explain the Head of Compliance's role in helping the business to comply macro-prudential and micro-prudential regulation

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- understand the close relationship between prudential regulation and corporate governance, and the role of the 'fit and proper' requirements for the firm and its employees
- understand the role of the modern compliance professional in the GRC context, and the wide range of skills, technical knowledge and personal qualities necessary to perform the role effectively.

Unit 6 How to Manage Regulatory Risk for the Benefit of Your Firm

Learning objectives

The purpose of this unit is to:

- explain the risk management process
- discuss general risk management principles
- explore a generic risk management process
- examine an effective GRC risk management system
- discuss regulatory risk
- examine how to manage the risks faced by an insurance firm, including dealing with issues and enforcement
- explain how to categorise any breach of regulation, whom to inform about it and how to draw up a plan to deal with it
- demonstrate how internal investigations should be conducted
- discuss the legal requirement to be open, honest and cooperative with the regulator, and how to inform and interact with the regulator in any investigation.

Unit content

1. Understanding the risk management process

1.1 Introduction

1.1.1 Overview of risk management

1.1.2 What is risk management?

1.2 Stages in the risk management process

1.2.1 Risk identification

1.2.2 Risk description

1.2.3 Risk estimation or quantification

1.2.4 Risk evaluation

1.2.5 Risk treatment

1.2.6 Monitoring

1.2.7 Review

1.3 What are the risk management options?

1.3.1 Risk based or cyclical approaches to risk management

1.3.2 Responsibilities

2. The role of risk management in the insurance sector

2.1 Regulatory perspectives on risk management

2.1.1 Risk management regulation in Malaysia

2.1.2 Bank Negara Corporate Governance Code

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- 2.1.3 Stress Testing
- 2.2 Understanding critical risk types
 - 2.2.1 Regulatory risk
 - 2.2.2 Reputational risk
 - 2.2.3 Financial risk
 - 2.2.4 Market risk
 - 2.2.5 Insurance risk
- 3. Designing an effective governance, risk and compliance risk management system**
 - 3.1 The responsibilities of different parts of the firm
 - 3.1.1 The board
 - 3.1.2 The compliance function
 - 3.1.3 Other risk management operations
 - 3.1.4 All employees
 - 3.2 Managing regulatory risk
 - 3.2.1 Understanding regulatory risk
 - 3.2.2 Governance, risk and compliance and the reasons why we manage regulatory risk
 - 3.3 Information flows and audiences
 - 3.3.1 The importance of effective management information (MI)
 - 3.3.2 Internal and external reporting
 - 3.3.3 The decision-making process
- 4. Dealing with regulatory issues and enforcement**
 - 4.1 What to do if you have a regulatory breach
 - 4.2 Internal Investigations
 - 4.3 Managing a visit from the regulator
 - 4.4 The sanctions a regulator can impose
 - 4.5 The damage to reputation
- 5. The links between risk management and GRC**
 - 5.1 Risk assessment and planning
 - 5.2 Risk identification and analysis
 - 5.3 Developing a risk response strategy
 - 5.4 Risk monitoring

Learning outcomes

By the end of this unit the learner should:

- define what is meant by 'risk', 'risk management' and 'enterprise risk'
- recognise some of the international standards on risk management and be
- able to describe the stages of the risk management process in an insurance industry context
- appreciate the differences between the risk based and cyclical approaches to risk management and their advantages and disadvantages
- be able to explain the different types of risk faced by a business and how to approach them
- understand the roles of the board, the compliance function, the business units and individual employees in a successful risk management process

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- know the questions that should be asked and answered in order to generate relevant management information for identifying, assessing, treating and reporting on the risks facing the business
- be able to assess the severity and extent of regulatory breaches, conduct an internal investigation into identified or suspected breaches, and notify all relevant parties as to your findings
- know how to handle a visit from the regulator and understand how to respond to court orders such as Production Orders
- understand the sanctions that the regulators can impose and the possible effects on the business be able to identify the links between risk management and the GRC control framework.

Unit 7 How Corporate Governance Can Enhance Your Firm's Performance

Learning objectives

The purpose of this unit is to:

- discuss corporate governance and why this is fundamental to the sound and successful running of a firm
- analyse the core elements of effective corporate governance
- engender an appreciation of the interrelationship between effective compliance systems and good corporate governance
- consider the key aspects of developing, implementing and then sustaining an effective corporate governance framework.

Unit content

- 1. What is corporate governance?**
- 2. The need for effective corporate governance**
 - 2.1 Definitions and purposes of governance
 - 2.1.1 Bank Negara Malaysia
 - 2.1.2 The UK
 - 2.1.3 International
 - 2.2 Example – Getting it wrong
- 3. Governance, risk and compliance (GRC) in context**
- 4. Common principles of good governance**
 - 4.1 Leadership
 - 4.2 Independence
 - 4.2.1 What does independence mean?
 - 4.3 Competence
 - 4.4 Challenge
- 5. Implementing good corporate governance**
 - 5.1 Responsibility for control systems
 - 5.1.1 Apportionment of responsibilities
 - 5.1.2 The compliance function

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5.2 Understanding what is needed

5.3 Control and review

5.4 Whistle-blowing

6. The management of good governance

6.1 Evaluation, reporting and accountability

6.2 Effective management information (MI)

6.3 Focusing on future risks

6.4 External evaluation

6.5 'Comply or explain'

6.6 Accountability

6.7 Stakeholder participation

6.8 Sustainability

7. Governance culture

7.1.1 Remuneration and the longer-term view

7.1.2 Looking forward

Learning outcomes

By the end of this unit the learner should be able to:

- argue the case for good corporate governance as essential to sound decision making, the operation of effective systems and controls, and the long-term survival of any company
- explain the role of the board and senior management in implementing good corporate governance
- know definitions of corporate governance and understand the impact of reports that have established the purpose of corporate governance
- discuss ways in which governance, risk management and compliance interact and to give examples in which governance failures have led to the materialisation of risks and to compliance problems
- explain how qualities such as leadership, independence, 'career freedom', and competence are essential among board members and what should be done to inculcate them
- outline how responsibilities should be allocated among board members, the role of the compliance function in oversight of the corporate governance system, in risk assessment, in establishing a control environment and in providing the board with appropriate MI
- based on your own research into your jurisdiction, be able to describe the roles and responsibilities of the various board committees, as required by regulators
- explain how a good governance system is evaluated, reported on, monitored and maintained
- focus on the expected outcomes of corporate conduct and understand how good governance relates to their achievement
- recognise the components of a good governance culture and how this is instilled into firms
- discuss various examples of failure of governance and understand how they could have been avoided.

Unit 8 How to Design and Build World-class GRC Systems and Controls

Learning objectives

The purpose of this unit is to:

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- discuss how GRC controls fit within the structure of the firm
 - consider how policies and procedures need to be developed in order to achieve GRC objectives
- explain the significance of issues such as:
- disclosure
 - conflicts of interest
 - remuneration
 - advertising
 - data protection
 - record keeping

Unit content

1. How to implement effective GRC structures

- 1.1 Reporting lines
- 1.2 Access to the board
- 1.3 Roles and responsibilities
 - 1.3.1 The board and senior management
 - 1.3.2 The compliance function
 - 1.3.3 Other risk management functions
 - 1.3.4 Summary of responsibilities

2. Developing GRC policy and procedures

- 2.1 The GRC manual
 - 2.1.1 A summary of high-level systems and controls
 - 2.1.2 Prudential regulatory requirements
 - 2.1.3 Market conduct and conflicts of interest
 - 2.1.4 Policies and procedures
- 2.2 Getting all employees to understand the importance of the GRC framework
- 2.3 Factors affecting the GRC framework
 - 2.3.1 The regulatory environment
 - 2.3.2 The operating environment
 - 2.3.3 Risk appetite, culture and ethics in the firm

3. Disclosure

- 3.1 Where the disclosure is required by law
- 3.2 Where there is a duty to the public to disclose
- 3.3 Where the interests of the company require disclosure, and where it is made with the express or implied consent of the consumer

4. Product development and selling practices

- 4.1 Introduction of New Products by Insurers
- 4.2 Being compliant or being competitive?
- 4.3 Selling to the right customer
- 4.4 Product intervention rules

5. Conflicts of interest

- 5.1 How to control and manage conflicts of interest

6. Remuneration policies

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- 6.1 Corporate governance codes and remuneration
- 6.2 Examples of remuneration policy in corporate governance codes
- 7. Advertising: Clear, fair and not misleading?**
- 8. Outsourcing**
 - 8.1 Responsibilities of the outsourcing firm
 - 8.2 Delegated authority arrangements
- 9. The importance of data protection**
 - 9.1 Personal Data Protection Act 2010 and Code of Practice for Personal Data Protection for the Insurance Industries in Malaysia
- 10. Record keeping, confidentiality and secrecy**
 - 10.1 Retention periods
 - 10.2 Client confidentiality
- 11. Whistle-blowing**

Learning outcomes

By the end of this unit the learner should:

- appreciate the importance of well-designed reporting lines, with properly designated roles and responsibilities for those involved, in operating an effective GRC framework
- know what to include in a GRC manual and how the manual should be used to ensure staff familiarity with and adherence to the firm's policies and procedures and prudential regulatory requirements
- understand the effects of the regulatory and operating environments, and the firm's risk appetite and culture, on its GRC framework
- be able to explain the legal duty of confidentiality and the circumstances in which disclosure of otherwise confidential information is allowed
- appreciate the importance of selling the right products to the right customers
- know what is meant by 'conflict of interest' and be able to assess the merits of various ways of dealing with this
- be able to advise on remuneration policies that avoid creating incentives to treat customers unfairly or unnecessary risk taking, in light of the related codes of conduct
- understand what is meant by 'outsourcing', and the responsibilities of the firm in relation to its agents
- appreciate why protecting customers' data is vital and the penalties and problems that can result if data is lost or stolen, but also the problems that can arise from hiding data that would reveal a customer's wrongdoing
- know what records should be kept by the firm and the problems that can arise from record-keeping failures
- understand the firm's and the compliance function's responsibilities for operating a whistle-blowing policy.

Unit 9 Managing the risks of financial crime in insurance

Learning objectives

The purpose of this unit is to:

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- provide an awareness of different forms of financial crime
- discuss the requirements for combating bribery and corruption
- explain how to manage the risk of money laundering
- look at ways of preventing money laundering, understand it from an international perspective, and consider its relationship with the funding of terrorism
- provide an enhanced awareness of market abuse and understand all the forms it can take
- examine different forms of fraudulent conduct and how to identify and prevent them
- discuss tax evasion and tax avoidance, and the moral dilemma.

Unit content

- 1. Governance, risk and compliance considerations**
 - 1.1 Governance frameworks and financial crime
 - 1.2 Responsibilities of the board of directors
 - 1.3 Financial crime – a risk to be managed
- 2. Anti-bribery and corruption (ABC) requirements**
- 3. Managing the risk of insurance fraud**
- 4. Managing the risk of money laundering in insurance**
 - 4.1 Anti-Money Laundering Act 2001
 - 4.2 What are the objectives of money laundering?
 - 4.3 The three stages interpretation of money laundering
 - 4.4 Understanding money laundering and how to prevent it
 - 4.5 Procedural requirements
 - 4.5.1 KYC/CDD
 - 4.5.2 Due Diligence
 - 4.5.3 Staff Training
- 5. The Money Laundering Reporting Officer (MLRO)**
 - 5.1 What makes an effective MLRO?
- 6. Counter terrorist financing and proliferation financing**
- 7. The international dimensions in AML and CTF**
- 8. Managing the risk of market abuse**
- 9. Insider dealing**

Learning outcomes

By the end of this unit the learner should:

- be able to take practical steps to reduce the risk that your firm will be used by criminals for money laundering reasons

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- know your responsibilities in relation to KYC/CDD for customers and the introduced business procedures for dealing with intermediaries
- understand the importance of having effective internal reporting systems in preventing financial crimes
- know the tasks that must be undertaken by an effective MLRO
- be aware of the characteristics common to both ML and TF, the risks that your firm may be used to move money intended for terrorist purposes and your obligations to guard against this
- appreciate the effects that international and foreign AML and CTF conventions and laws may have on your business
- be able to explain the offences of market abuse, market manipulation and market misconduct and the various forms this can take
- know what constitutes insider dealing, the circumstances when directors and other insiders are banned from trading, the special rules covering trading by directors at other times, and the compliance function's responsibilities for preventing insider dealing
- appreciate the risks of fraud, whether the risk of laundering the proceeds of outside fraud or the risk that your firm itself will be defrauded; understand the various kinds of fraud that may be perpetrated and the steps that should be taken to prevent and detect fraud by customers and staff