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CERTIFIED CAPITAL MARKET PROFESSIONAL: COMPLIANCE 1

ASSESSMENT OUTLINE

For September to December 2023

Assessments

(Issued in August 2023)

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(This document consists of 6 pages including the cover page)

CERTIFIED CAPITAL MARKET PROFESSIONAL: COMPLIANCE 1 ASSESSMENT OUTLINE

The Certified Capital Market Professional: Compliance 1 (CCMP - C1) assessment comprises two main components - Summative Assessment and Collaborative Learning. These components have been designed to evaluate a candidate's knowledge and application skills on compliance in Malaysia.

The Summative Assessment forms the core of the evaluation process, constituting 70% of the final assessment. Candidates are required to complete the CCMP - C1 modules (Regulatory & Technical modules, Behavioural modules and Collaborative Learning) prior to sitting for the summative assessment. It is estimated that the CCMP - C1 Summative Assessment will require a minimum of 80 hours of self-study time. Candidates may need less or more depending on their educational background and work experience.

Candidates are expected to update themselves with the latest developments in this assessment as all questions will be continuously updated to reflect these changes. Candidates are permitted to refer to their own prescribed reference materials during the Summative Assessment. Note that no prescribed reference materials will be provided by the Securities Industry Development Corporation (SIDC). The prescribed reference materials brought into the assessment by candidates are subject to the registration terms and conditions of SIDC.

The remaining 30% of the final assessment is allocated to Collaborative Learning, specifically a presentation component. This fosters teamwork and communication skills, as well as the capacity to apply learned theories to real-world scenarios. Completion of the Collaborative Learning module is a prerequisite to sitting for the Summative Assessment.

Candidates are required to comply with the registration terms and conditions of the SIDC on the conduct of the assessment. Severe penalties will be taken against candidates for any misconduct during the assessment.

ASSESSMENT STRUCTURE

Details of the final assessment are as follows:

	Total Marks	Weightage
Summative Assessment	60	70%
Collaborative Learning (Presentation)	100	30%
		100%
Passing Mark		70%

Summative Assessment:

Types of Questions	Multiple Choice Questions, Fill in the Blank, Matching, Short Answer
Number of Questions	60
Time Allocated	90 minutes
References /Text	CCMP - Compliance 1 Regulatory & Technical modules and Behavioural modules <u>Prescribed Reference Material</u> 1. Capital Markets and Services Act 2007 2. Securities Commission Malaysia Act 1993 3. Licensing Handbook 4. Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market

	<ol style="list-style-type: none"> 5. Guidelines on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing for Capital Market Intermediaries 6. Bursa Malaysia Securities Berhad Guidelines for Compliance Function for Participating Organisations (Appendix 1) 7. Bursa Malaysia Derivatives Berhad Guidelines for Compliance Functions for Trading Participants 8. Guidelines on Compliance Function for Fund Management Companies 9. Guidelines on Unit Trust Funds 10. Guidelines on Market Conduct and Business Practices for Stockbroking Companies and Licensed Representatives 11. Guidelines on Conduct for Capital Market Intermediaries 12. Guidance Note on Provision of Investment Advice 13. Rules of Bursa Malaysia Securities Berhad 14. Bursa Malaysia Securities Berhad Participating Organisations' Directives and Guidance 15. Rules of Bursa Malaysia Derivatives Berhad 16. Bursa Malaysia Derivatives Berhad Trading Participants' Directives and Guidance <p>The relevant references (acts, guidelines and etc,) for this assessment can be obtained from the Securities Commission Malaysia website at www.sc.com.my. The Rules of Bursa Malaysia Derivatives Berhad and Bursa Malaysia Derivatives Berhad Trading Manual are accessible via the Bursa Malaysia website at www.bursamalaysia.com.</p>
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Collaborative Learning Assessment:

Types of Assessment	Group Presentation
Total Marks	100 (Content 70 marks, Individual Presentation 30 marks)
Time Allocated	30 minutes

SUMMATIVE ASSESSMENT

Assessment Objectives

For the Certified Capital Market Professional: Compliance 1 summative assessment, candidates are expected to be able to:

- explain the importance of compliance and the regulatory requirements applicable to specific regulated activities in the capital market
- identify the roles and responsibilities of the compliance function and factors to consider in creating an effective compliance framework
- recognise emerging risks issues and trends in the capital market industry and the effects of economic changes, monetary and fiscal policies on the capital market environment and businesses
- describe the regulations and processes related to dealing in securities and derivatives in Malaysia, ranging from advising clients to trading and settlement
- outline the regulatory requirements and procedures to comply with fund management practices
- identify and demonstrate ethical and compliant behaviour in workplace interactions

Assessment Syllabus

The syllabus for this assessment is divided into 2 sections and the maximum composition of questions from each section is as follows:-

Section	Composition of Questions (Maximum)	Number of Questions (Maximum)
Section 1	70%	42
Section 2	50%	30

Details of the syllabus are as below:

SECTION 1

Module 1	Essentials of Capital Market Regulations: Intermediaries & Conduct <ul style="list-style-type: none"> • Overview of the Malaysian Capital Market • Regulation of the Malaysian Capital Market • Malaysian Capital Market Legal Framework • Licensing • Regulated Activities Definition & Roles • Regulated Activities and Permitted Activities - Fit and Proper Requirements, Key Management and Compliance • Capital Raising on the Primary Market • Trading on the Secondary Market • Derivatives Dealing • Market Misconduct and Other Prohibited Conduct • Compensation fund: SIDREC
Module 2	Essentials of Capital Market Regulations: AMLA <ul style="list-style-type: none"> • AMLA Regulatory Framework • The Role and Importance of AMLA • AMLA Guidelines for the Capital Market • AML Detection and Prevention • The Compliance Role in AMLA
Module 3	Essentials of Compliance <ul style="list-style-type: none"> • Essential Compliance Concepts and Principles • Compliance Function - Roles and Responsibilities • Functions of Compliance Officers • Costs and Benefits of Compliance • Rules and Regulations on Compliance • Compliance Issues and Impact of Technology on Compliance Officers • Compliance Review • Essential Framework of a Compliance Programme
Module 4	Essentials of Customer Service: Know Your Client <ul style="list-style-type: none"> • Introduction to Customer Focused Services

	<ul style="list-style-type: none"> • Build a Customer Knowledge Set (internal/external) • Communication Focus (internal/external) • Dealing with Difficult Customers and Pro-active Recovery (internal/external)
Module 5	Compliance, Corporate Governance, Risk and Ethics <ul style="list-style-type: none"> • Corporate Governance Principles, Framework and Practices • Introduction to Risk Management • Practice of Risk Management in the Capital Market • Concept and Principles of Ethics and Integrity • Code of Ethics and Code of Conduct for the Capital Market • The Relationship Between Corporate Governance, Risk Management, Ethics and Integrity, and the Compliance Role
Module 6	Introduction to Capital Markets: Economics, Products & Services <ul style="list-style-type: none"> • Introduction to Capital Market Environment • Fundamentals of Economics • Capital Market Products and Services (features, characteristics and risk) • Overview of Risk and Return • Introduction to Islamic Capital Market
Module 7	Securities Trading, Derivatives Dealing and Settlements and Client Advisory in Malaysia (Part 1, 2 and 3) <ul style="list-style-type: none"> • Overview on Securities and Derivatives • Dealing, Trading and Settlement Process • Dealing with Client on Securities Trading and Settlement Process • Understanding and Interpreting Disclosure Documents for Securities Trading • Client Advisory • Market Misconduct • Digital Technology Application
Module 8	Fundamentals of Fund Management and Client Advisory in Malaysia <ul style="list-style-type: none"> • The Fund Management Industry • Investment Background • Portfolio Construction • Monitoring and Review Fund • Compliance and Risk Management • Digital Technology Application

SECTION 2

Module 1	Insights into the Compliance Role and Essential Skillsets <ul style="list-style-type: none"> • Overview of Compliance Role and Functions • Essential Skillsets of Compliance Officers • Compliance in Action
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	<ul style="list-style-type: none"> Implementing the Action Plan
Module 2	Thinking & Communication Skills for Compliance Officers <ul style="list-style-type: none"> Essentials of Networking Preparation in Establishing Network Building Effective Networking Expanding and Strengthen Network Making Effective Stakeholder Engagement
Module 3	Networking & Relationship Building in Compliance <ul style="list-style-type: none"> Thinking Frameworks and Fundamentals Essentials of Problem-Solving and Decision-Making Communication for Better Workplace Efficiency Managing Effective Compliance Conversations

COLLABORATIVE LEARNING

Assessment Objectives

For the Certified Capital Market Professional: Compliance 1 collaborative learning assessment, candidates are expected to be able to:

- identify the core compliance issues faced in the capital market industry, its implications and the approaches that can be taken to mitigate them
- explain the importance of compliance and the regulatory requirements applicable to specific regulated activities in the capital market
- discuss the roles and responsibilities of the compliance function and factors to consider in creating good compliance practices within an organisation and capital market industry
- develop critical thinking, problem solving, and communications skills needed by compliance professionals in handling compliance issues and stakeholders involved

Assessment Syllabus

The syllabus for this assessment comprises the following topics:

1. Anti-bribery and Corruption
2. Environmental, Social and Governance
3. Derivatives
4. Client Advisory
5. Fit & Proper Criteria
6. Overview of Risk and Return and Investment Suitability
7. Capital Raising
8. Regulated Activities and Permitted Activities
9. Going to Securities Industry Dispute Resolution Center (SIDREC)
10. Anti-Money Laundering
11. Managing Chinese Walls and Personal Account Dealing Policies
12. Timely Reporting of Breaches
13. Treating Customers Fairly: Engaging in Unfair Market Practices
14. Identifying Ransomware
15. Data Governance
16. Reporting of Reviews
17. The Compliance Role
18. AML/CFT, Sanctions and Digital Onboarding
19. The Compliance Role - Cost or Benefit?
20. Managing Customer Data