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## **CERTIFIED CAPITAL MARKET PROFESSIONAL: COMPLIANCE 2**

### **ASSESSMENT OUTLINE**

**For January to June 2024 Assessments  
(Issued in November 2023)**

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

## CERTIFIED CAPITAL MARKET PROFESSIONAL: COMPLIANCE 2 ASSESSMENT OUTLINE

The Certified Capital Market Professional: Compliance 2 (CCMP-C2) assessment is designed to test candidates' knowledge and skills in compliance in Malaysia.

Candidates are expected to possess good knowledge and understanding of the subject matter provided in this outline and the specified references. Candidates are required to complete the CCMP - C2 modules (Regulatory & Technical modules, Behavioural modules and Collaborative Learning) prior to sitting for the summative assessment. It is estimated that the CCMP-C2 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 and will be given at least four (4) months of access to the Regulatory & Technical modules and Behavioural modules prior to sitting for the assessment.

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 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.

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 this assessment are as follows:

<b>Types of Questions</b>	Multiple Choice Questions, Fill in the Blank, Matching, True/False, Short Answers
<b>Number of Questions</b>	40
<b>Passing Mark</b>	70%
<b>Time Allocated</b>	60 minutes
<b>References /Text</b>	<p>CCMP - Compliance 2 Regulatory &amp; Technical modules and 3 Behavioural modules</p> <p><b><u>Prescribed Reference Material</u></b></p> <ol style="list-style-type: none"> <li>1. Capital Markets and Services Act 2007</li> <li>2. Securities Commission Malaysia Act 1993</li> <li>3. Licensing Handbook</li> <li>4. Guidelines on Prevention of Money Laundering and Terrorism Financing for Reporting Institutions in the Capital Market</li> <li>5. Guidelines on Implementation of Targeted Financial Sanctions Relating to Proliferation Financing for Capital Market Intermediaries</li> <li>6. Bursa Malaysia Securities Berhad Guidelines for Compliance Function for Participating Organisations (Appendix 1)</li> <li>7. Bursa Malaysia Derivatives Berhad Guidelines for Compliance Functions for Trading Participants</li> <li>8. Guidelines on Management of Cyber Risk</li> <li>9. Guidelines on Digital Assets</li> <li>10. Guidelines on Islamic Capital Market Products and Services</li> <li>11. Guidelines on Compliance Function for Fund Management Companies</li> <li>12. Guidelines on Unit Trust Funds</li> <li>13. Guidelines on Market Conduct and Business Practices for Stockbroking</li> </ol>

	<p>Companies and Licensed Representatives</p> <p>14. Guidelines on Conduct for Capital Market Intermediaries</p> <p>15. Guidance Note on Provision of Investment Advice</p> <p>16. Rules of Bursa Malaysia Securities Berhad</p> <p>17. Bursa Malaysia Securities Berhad Participating Organisations' Directives and Guidance</p> <p>18. Rules of Bursa Malaysia Derivatives Berhad</p> <p>19. Bursa Malaysia Derivatives Berhad Trading Participants' Directives and Guidance</p>
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## REFERENCES

The relevant references (acts, guidelines and etc,) for this assessment can be obtained from the Securities Commission Malaysia website at [www.sc.com.my](http://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](http://www.bursamalaysia.com).

## ASSESSMENT OBJECTIVES

For the Certified Capital Market Professional: Compliance 2 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	75%	30
Section 2	25%	10

Details of the syllabus are as below:

SECTION 1	
Module 1	<p><b>Effective Compliance: Regulatory Perspective and Principles - Part 1</b></p> <ul style="list-style-type: none"> <li>• Overview of the Regulatory Environment</li> <li>• Interpreting Regulations and Principles</li> <li>• The Role of Compliance Function from the Regulatory Perspective</li> </ul>

	<ul style="list-style-type: none"> <li>• The Lines of Defence</li> </ul>
	<p><b>Effective Compliance: Regulatory Perspective and Principles - Part 2</b></p> <ul style="list-style-type: none"> <li>• Communicating with the Regulator</li> <li>• Regulatory Reporting and Visits</li> <li>• Regulatory and Compliance Challenges</li> <li>• Corporate Liability and Other Liabilities</li> <li>• Digital Technology and RegTech</li> <li>• Compliance and Cybersecurity</li> </ul>
<b>Module 2</b>	<p><b>Effective Compliance: AMLA/Fraud/Practical CDD</b></p> <ul style="list-style-type: none"> <li>• Current Trends and Updates in Money Laundering, Fraud and Terrorism Financing</li> <li>• Regulatory Updates and Approaches</li> <li>• AML - An Operational Perspective (Front, Middle and Back Office)</li> <li>• The Risk Based Approach to Money Laundering</li> <li>• Practical CDD</li> <li>• Best Practices: What Can Be Learned and Challenges</li> </ul>
<b>Module 3</b>	<p><b>Effective Compliance: Compliance in Action - Part 1</b></p> <ul style="list-style-type: none"> <li>• Compliance in Action</li> <li>• Integrated Risk Management</li> <li>• Conduct Risk - Market Conduct</li> <li>• Client Onboarding/CDD and the Risk-Based Approach</li> <li>• Managing Effective Compliance Conversations</li> <li>• Dealing with Difficult Characters with the Front Office</li> <li>• Compliance Monitoring and Measuring (Conduct Risk)</li> </ul>
	<p><b>Effective Compliance: Compliance in Action - Part 2</b></p> <ul style="list-style-type: none"> <li>• Effective Report Writing for Compliance</li> <li>• Building an Effective Control Framework</li> <li>• Balancing Compliance Role and Business Needs</li> <li>• Compliance and Advisory - Facilitating Innovation</li> <li>• Compliance Stakeholder Relations</li> <li>• Compliance Programme to Compliance Culture</li> </ul>
<b>Module 4</b>	<p><b>Essential of Customer Service: Know Your Client</b></p> <ul style="list-style-type: none"> <li>• Market Intelligence</li> <li>• Customer Focused Services</li> <li>• Develop Customer Focused Service Strategies</li> <li>• Current developments 'what is coming'</li> <li>• Effective Consultative Skills - Improvements to customer-focused services</li> <li>• Align Customer Service Strategies to the Risk-Based Approach to KYC/CDD Practical CDD</li> </ul>
<b>Module 5</b>	<p><b>Compliance, Corporate Governance, Risk and Ethics - Part 1</b></p> <ul style="list-style-type: none"> <li>• Corporate Governance Principles and Practices</li> </ul>

	<ul style="list-style-type: none"> <li>• Relationship between Compliance, Internal Audit and Risk</li> <li>• Risk Identification and Assessment (capital market activities/business)</li> </ul>
	<p><b>Compliance, Corporate Governance, Risk and Ethics - Part 2</b></p> <ul style="list-style-type: none"> <li>• Risk Control and Monitoring (capital market activities/business)</li> <li>• Principles and Code of Conduct</li> <li>• Fairness and Transparency</li> <li>• Conflict of interest</li> <li>• Confidential and sensitive information</li> <li>• Dynamics of CG, Risk and Ethics from a Compliance Perspective</li> </ul>
<b>Module 6</b>	<p><b>Effective Compliance and the Capital Market</b></p> <ul style="list-style-type: none"> <li>• Developments and Disruptors in the Capital Market Landscape</li> <li>• Strategy for Capital Market Products and Services Development</li> <li>• Compliance and Business Challenges</li> <li>• Dealing in Securities</li> <li>• Dealing in Derivatives</li> <li>• Fund Management</li> <li>• SRI and Compliance</li> <li>• Business Strategy and Sustainability</li> <li>• Business Case for Sustainability</li> <li>• Business Sustainability and Digital Technological Revolution</li> </ul>
<b>Module 7</b>	<p><b>Introduction to Islamic Capital Market - Part 1</b></p> <ul style="list-style-type: none"> <li>• Introduction to Islamic Capital Markets (ICM)</li> <li>• Shariah-compliant Equities</li> </ul>
	<p><b>Introduction to Islamic Capital Market - Part 2</b></p> <ul style="list-style-type: none"> <li>• Sukuk</li> <li>• Other Markets within ICM</li> <li>• Comparison with conventional markets and related issues</li> </ul>
<b>Module 8</b>	<p><b>Financial Technology (Fintech) and Its Impact to the Capital Market</b></p> <ul style="list-style-type: none"> <li>• Introduction to FinTech</li> <li>• FinTech and its Impact on Traditional Markets - Local and Global Developments</li> <li>• The Market Drivers of FinTech</li> <li>• RegTech and SupTech: What they mean for Financial Supervision</li> <li>• Cybersecurity in FinTech: Key Role of Data and Security in Data-Driven Finance</li> <li>• Technology-Driven Innovations in Capital Market Services: Analysis and Evaluation</li> <li>• Capital Market Landscape: Future Technology and Its Impacts</li> </ul>
<b>Module 9</b>	<p><b>Algorithm Trading &amp; High-Frequency Trading</b></p> <ul style="list-style-type: none"> <li>• Algorithmic &amp; High-Frequency Trading (HFT)</li> <li>• Dark Pool - Alternative Trading System (ATS)</li> </ul>

	<ul style="list-style-type: none"> <li>• The Algorithm Trading Platforms, Technologies and Strategies</li> <li>• Regulatory Oversight</li> <li>• Governance, Risk and Compliance Issues</li> <li>• Issues and Challenges</li> </ul>
<b>Module 10</b>	<b>Digital Innovation in the Malaysian Capital Market</b> <ul style="list-style-type: none"> <li>• Digital Agenda for the Malaysian Capital Market</li> <li>• Digital Investment Management (DIM) in Malaysia</li> <li>• Introduction to Cryptocurrencies and Digital Asset Exchanges (DAX)</li> <li>• Initial Exchange Offerings (IEO) and Digital Asset Custodians (DAC) Framework</li> <li>• Introduction to Alternative Funding Platforms</li> <li>• Equity Crowd Funding (ECF) and Peer to Peer Financing (P2P) Explained</li> </ul>
<b>Module 11</b>	<b>Cybersecurity Compliance</b> <ul style="list-style-type: none"> <li>• Cyber Attack: The Then, the Now &amp; the Future.</li> <li>• Cyber Security</li> <li>• The Future of Cyber Security</li> <li>• Case Study: Equifax and JP Morgan</li> <li>• Cybersecurity for the capital market and its regulated activities</li> <li>• Data governance, privacy &amp; protection</li> <li>• Cyber incident response plan in safeguarding company's assets.</li> <li>• Reporting Obligation for Market Intermediaries</li> </ul>

## SECTION 2

<b>Module 1</b>	<b>Fundamentals of Stakeholder Management</b> <ul style="list-style-type: none"> <li>• Stakeholder Identification and Analysis for the Compliance Function</li> <li>• Essential Communications Techniques with Stakeholders</li> <li>• Fostering Positive Dialogue with Regulators and Key Stakeholders</li> <li>• Monitoring the Success of Stakeholder Engagements</li> </ul>
<b>Module 2</b>	<b>The Highly Effective Compliance Officer</b> <ul style="list-style-type: none"> <li>• Role of Compliance Officers Today</li> <li>• The Making of a Highly Effective Compliance Officer</li> <li>• Engagement and Communication with the Regulators</li> </ul>
<b>Module 3</b>	<b>Technical Writing for the Capital Markets</b> <ul style="list-style-type: none"> <li>• Regulatory Requirements</li> <li>• Skills for Technical Writing</li> <li>• Best Practices to Uphold</li> </ul>