

Special Notice

Updated Syllabus Guidelines of HDBF 22174 - “Compliance & Regulations”

Keeping in line with the policy of updating the curriculum of the IBSL Professional Programme with the new developments taking place in the academic and business landscape, the syllabus guidelines of the HDBF 22174: Compliance & Regulations have been updated and given below.

The updated syllabus will be tested with effect from the March 2025 Examination and students and lecturers are hereby informed to follow the new syllabus guidelines for the upcoming examinations.

Course Title	Compliance and Regulations
Course Code	HDBF 22174
Credit Value	04
Status	Core
Level	II
Semester	II
Overall Learning Outcomes	At the end of the course unit students should be able to:
	<ol style="list-style-type: none">1. Explain financial regulation, practical aspects of financial regulation, regulatory failures and main financial sector regulators.2. Describe international developments over financial regulations.3. Explain influences over regulatory function /environment.4. Explain the importance of compliance culture within the financial sector.5. Explain the role of each stakeholder to maintain a high level of compliance culture within the financial institution.6. Identify the fundamentals of compliance regulations locally as well as globally.7. Explain regulatory practices in local context and in other jurisdictions.8. Explain the role and different aspects of compliance management.9. Explain recent developments in compliance management.10. Apply compliance principles to the financial sector to identify the issues and challenges in financial regulation and compliance management and make suggestions to address the same.

Course contents:				
Topic	Weightage (%)	Learning outcomes	Teaching and learning method	Methods of assessment
1. Introduction to financial regulation	05%	At the end of the session students should be able to: i. Explain the concept of financial regulation. ii. Identify the main types of events that make financial regulation necessary. iii. Identify key stakeholders in financial industry regulation.	Interactiv electures, tutorials, and discussion forum.	End semester examination.
2. International developments over financial regulations.	10%	i. Explain international legislation over financial regulations/BIS Principles. ii. Explain the best international practices and developments/Basel Accords. iv. Identify international organizations over regulatory function, their role, developments and influence.	Interactiv electures, tutorials, and discussion forum.	End semester examination.
3. Practical aspects of the financial regulation	05%	i. Identify the components of a regulatory structure. ii. Identify the role of regulators. iii. Identify the powers of the regulators. iv. Identify the regulatory approaches. v. Identify different regulatory models around the world. vi. Explain different attributes of effective regulation. iii. Explain the regulatory risk.	Interactiv electures, tutorials, and discussion forum.	End semester examination.
4. Regulatory failures	05%	i. Explain the meaning of regulatory failures. vi. Explain the actions to be taken to minimize regulatory failures.	Interactiv electures, tutorials, and discussion forum.	End semester examination.

5. Introduction to compliance function	05%	<ul style="list-style-type: none"> i. Explain the compliance function. ii. Identify specific role of the compliance function. iii. Explain the pre-requisite to achieve compliance objectives successfully. ii. Explain the compliance risk. 	Interactiv electures, tutorials, and discussion forum.	End semester examination.
6. Compliance in practice	10%	<ul style="list-style-type: none"> i. Identify the roles/responsibilities of various parties involved in compliance function. ii. Explain the key compliance activities and processes. iii. Explain different types of compliance models, their processes, and advantages and disadvantages. iv. Explain how to monitor the compliance activities. v. Explain the role of risk management in integrated compliance management. vi. Explain the role of corporate governance in integrated compliance management. 	Interactiv electures, tutorials, and discussion forum.	End semester examination.
7. Expectations from effective compliance function and its deliverables and prerequisites	20%	<ul style="list-style-type: none"> i. Explain where compliance responsibilities rest within a firm. ii. Explain the responsibilities of the Compliance Officer. iii. Describe the skills needed by an effective Compliance Officer. iv. Explain the different types of Compliance Officer activities and how these should be approached. v. Explain key external and internal relationships that a Compliance Officer should manage. vi. Explain how a Compliance Officer can most effectively manage a Supervisory Examination and the firm's relationship with the regulator. vii. Explain what should be included in the Compliance Officer's job role. viii. Outline the key principles for 	Interactiv electures, tutorials, and discussion forum.	End semester examination.

		<p>successful compliance report writing.</p> <p>vii. Explain where responsibility lies when compliance activities need to be supported by Risk/Audit functions.</p>		
8 . Relationship of the compliance function with culture and ethics	05%	<p>i. Explain the role of culture and ethics in achieving compliance objectives.</p> <p>ix. Explain how to design and implement a principles-based compliance culture.</p>	Interactiv electures, tutorials, and discussion forum	End semester examination.
9. Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)	25%	<p>i. Explain the techniques used to launder money.</p> <p>ii. Explain the different types of money laundering offences.</p> <p>iii. Examine the various internal procedures and controls that help protect a financial services business against the risk of money laundering or terrorist financing.</p> <p>iv. Identify terrorist financing related activities and methods of Countering the Financing of Terrorism.</p> <p>v. Explain the Laws relating to combating money laundering/terrorist financing in Sri Lanka.</p> <p>vi. Explain why Money Laundering is a criminal offense and penalties for committing money laundering offence.</p> <p>vii. Identify the redflags related to Money Laundering and Terrorist Financing.</p> <p>viii. Explain the Proliferation Financing of Weapons of Mass Destruction connected with</p>	Interactiv electures, tutorials, and discussion forums.	End semester examination.

		AML/CFT. ix. Identify Ultimate Beneficial Owner (UBO).		
10. Insider dealings and market manipulations	05%	<ul style="list-style-type: none"> i Explain capital market operations and regulatory requirements. ii Explain why insider dealing and market manipulations are criminal offences. iii Explain how an insider dealing offence can be committed. iv Explain why disclosure rules are imposed upon publicly traded companies and what they require. v Describe the rules that directors should follow when dealing in the shares of companies that they manage. vi Explain the offence of market abuse and how it differs from market manipulation and insider dealing. vii Describe different forms of financial crime. viii Examine different forms of fraudulent conduct. ix Examine how a compliance professional can assist in protecting a financial services business against loss due to fraud. 	Interactiv electures, tutorials, and discussion forum.	End semester examination.
11. New Compliance Requirements	05%	<ul style="list-style-type: none"> i Explain the salient features of: <ul style="list-style-type: none"> • Financial Consumer Protection Regulations No. 01 of 2023. • Banking (Amendment) Act, No. 24 Of 2024. • Other relevant Regulations/Directions as required. 	Interactiv electures, tutorials, and discussion forum.	End semester examination.
	100%			

Recommended reading:

- Ramakrishna S. P., *Enterprise Compliance Risk Management*, Wiley Corporate F&A, 1st Edition.
- Kotz H. D., *Financial Regulation and Compliance*, Wiley; 1st Edition.
- Dill A., *Bank Regulation, Risk Management, and Compliance: Theory, Practice, and Key Problem Areas*, 1st edition, Informa Law from Routledge
- Dill A., *Practical Finance and Banking Guides*, Informa Law from Routledge; 1 edition.
- Convention on the Suppression of Terrorist Financing Act, No. 25 of 2005. (2005).
[https://fiusrilanka.gov.lk/docs/ACTs/CSTFA/Convention_on_the_Suppression_of_Terrorist_Financing_Act_2005-25\(English\).pdf](https://fiusrilanka.gov.lk/docs/ACTs/CSTFA/Convention_on_the_Suppression_of_Terrorist_Financing_Act_2005-25(English).pdf)
- Prevention of Money Laundering Act, No. 5 of 2006. (2006).
[https://fiusrilanka.gov.lk/docs/ACTs/PMLA/Money_Laundering_Act_2006-5_\(English\).pdf](https://fiusrilanka.gov.lk/docs/ACTs/PMLA/Money_Laundering_Act_2006-5_(English).pdf)
- Prevention of Money Laundering Act, No. 5 of 2006. (2006).
[https://fiusrilanka.gov.lk/docs/ACTs/PMLA/Money_Laundering_Act_2006-5_\(English\).pdf](https://fiusrilanka.gov.lk/docs/ACTs/PMLA/Money_Laundering_Act_2006-5_(English).pdf)
- Financial Institutions (Customer Due Diligence) Rules, No. 1 of 2016.
https://fiusrilanka.gov.lk/docs/Rules/2016/1951_13/1951_13_E.pdf
- All other appropriate Directions/Circulars issued by the Central Bank of Sri Lanka and other relevant regulators.

Assessments:

Students are required to face the final exam at the end of the semester.

The final grade will be computed as follows:

Paper I: written paper	=	60%
Paper II: online MCQ paper	=	40%
Total	=	100%

Students are required to obtain a minimum of 50% from the sum of the paper I & II of the final semester examination to pass the subject.

Learning Time:

Being a 04-credit course unit, the notional learning time for the course unit is 200 hours (04*50) consisting of:

Face to face contact time: = 60 hours

Directed self-study = 40 hours

Self-directed learning experience = 40 hours

Assessment, review and revision = 60 hours

Total = 200 Hours

.....
Director General / Chaiman of the Academic Council

10th January 2025