

# RISK IN FINANCIAL SERVICES QUALIFICATION

Successfully managing risk is a fundamental requirement for any effective business. In financial services it is a critical component. Part of the responsibility for the credit crisis is widely attributed to a poor understanding of risk.

The Chartered Institute for Securities & Investment (CISI)'s Risk in Financial Services qualification is a comprehensive global introduction to all the major risk areas in financial services. It provides a sound grounding in:

- ✓ Principles of the risk management framework
- ✓ Corporate governance and risk oversight

The qualification also covers specific techniques used in identifying, reducing and managing specific risks in the following areas:

- ✓ Operational risk
- ✓ Credit risk
- ✓ Market risk
- ✓ Investment risk
- ✓ Liquidity risk

## Who should study for Risk in Financial Services?

The Risk in Financial Services qualification has been developed to provide candidates with a broad understanding of the key risks that arise within the financial services industry and is particularly aimed at:

- ✓ Risk teams
- ✓ Compliance teams
- ✓ Branch management
- ✓ Corporate lawyers
- ✓ Finance officers
- ✓ Senior managers of all disciplines
- ✓ Existing and aspiring non-executive directors

## Key features

- ✓ Covers all key risks in financial services – operational, credit, market, investment and liquidity
- ✓ Globally portable – addresses international issues, reflecting the needs of a worldwide market
- ✓ Addresses techniques used to identify, reduce and manage specific aspects of risk
- ✓ Available by computer based testing

## Who developed this?

This exam is awarded by the CISI, which is the premier supplier of financial services qualifications to the securities and investment industry. Over 40,000 exams are taken each year.

The CISI is a charity, registered in the UK, whose exams are taken throughout the world. It has offices in the Middle East, India and Singapore.

The qualification has been developed with input from expert practitioners from leading global financial firms, including AXA Investment Managers and the Bank of New York Mellon. It provides candidates with a clear benchmark to demonstrate that they have acquired the necessary knowledge to carry out their job roles competently.

## Regulatory approval

The CISI is recognised as an Awarding Body by the UK Office of the Qualifications and Examinations Regulator. Many of the CISI's qualifications are mandated by different regulators around the world, so both individuals and firms can be confident that the CISI's processes, policies and systems meet rigorous quality assurance standards.

**“ Risk management should be the responsibility of everyone, not just risk managers. The tone from the top is very important in determining what risk culture permeates an organisation.**

*Chua Kim Leng, Executive Director,  
Specialist Risk Supervision Department, Monetary  
Authority of Singapore*

“ To be helpful, I suggest a simple rule:  
‘Do not take risks you do not understand.’

Hector Sants  
Chief Executive Officer  
Financial Services Authority

## Summary syllabus

### ELEMENT 1 PRINCIPLES OF THE RISK MANAGEMENT FRAMEWORK

- 1.1 Introduction to business risk
- 1.2 Specific risks in financial services

### ELEMENT 2 CORPORATE GOVERNANCE AND RISK OVERSIGHT

- 2.1 Internal corporate governance
- 2.2 Culture and leadership
- 2.3 Risk governance within financial services organisations

### ELEMENT 3 RISK-RELATED REGULATION AND POLICY IN FINANCIAL SERVICES

- 3.1 The Bank for International Settlements
- 3.2 Basel II regulatory capital and operational risk requirements
- 3.3 Principles-based regulation
- 3.4 The Sarbanes-Oxley Act
- 3.5 Islamic financial regulation
- 3.6 Other relevant regulations

### ELEMENT 4 OPERATIONAL RISK

- 4.1 Definitions of operational risk
- 4.2 Operational risk policy
- 4.3 The risk management function
- 4.4 Risk identification
- 4.5 Operational risk assessment and measurement
- 4.6 Risk mitigation

### ELEMENT 5 CREDIT RISK

- 5.1 The identification of credit risk
- 5.2 Credit risk measurement
- 5.3 Credit risk mitigation

### ELEMENT 6 MARKET RISK

- 6.1 Risks affecting financial markets
- 6.2 The mitigation and management of market risk

### ELEMENT 7 INVESTMENT RISK

- 7.1 The measurement of investment returns
- 7.2 The identification and measurement of investment risk

### ELEMENT 8 LIQUIDITY RISK

- 8.1 The identification of liquidity risk
- 8.2 The measurement of liquidity risk
- 8.3 The management of liquidity risk

### ELEMENT 9 ENTERPRISE RISK MANAGEMENT (ERM)

- 9.1 An overview of enterprise risk management (ERM)

To view the full syllabus go to [cisi.org/syllabus](http://cisi.org/syllabus)

“ There has never been a more important time to understand the front-to-back risks faced by our businesses. Markets have changed and will continue to do so. This qualification will enhance the knowledge of financial market practitioners across the globe. Professional qualifications such as this have an important role to play in helping to restore credibility to the industry.

Neil A Woodger  
Head of Global Banking & Markets Operations, India  
The Royal Bank of Scotland Group

## How is the qualification structured?

Risk in Financial Services can be taken as a stand-alone qualification. It can also be taken with one of the following exams:

- ✓ FSA Financial Regulation
- ✓ Principles of Financial Regulation
- ✓ Local regulatory paper (for international candidates)

Upon successful completion of Risk in Financial Services and one of the above regulatory papers, candidates will be awarded the Certificate in Risk in Financial Services.

The Risk in Financial Services exam also qualifies as an IOC (formerly known as IAQ) technical unit.

**Risk in Financial Services:** Two-hour paper consisting of 100 multiple-choice questions

**FSA Financial Regulation/ Principles of Financial Regulation:** One-hour paper consisting of 50 multiple-choice questions

The exam can be taken at any of the CISI's computer based test (CBT) centres located worldwide. CBT is operated by the CISI's global partner Prometric. Candidates can book an exam to fit in with employment and other commitments. They receive their results when they leave the test centre; a formal certificate is issued at a later date to successful candidates.

Over 40,000 CISI qualifications are taken every year at CBT centres worldwide. For a list of centres visit [cisi.org/cbt](https://www.cisi.org/cbt)

As part of ongoing quality control, candidates sitting the exam by CBT will be required to answer up to 10% additional trial questions that will not be separately identified and do not contribute to the result. Candidates will be given proportionately more time to complete the test.

## Are there any entry requirements and exemptions?

There are no entry requirements or exemptions.

## How do I register for Risk in Financial Services?

Step 1: Pay a one-off registration fee

Step 2: Book your exam at [cisi.org/bookmain](https://www.cisi.org/bookmain)

Step 3: Fill out a Qualifications Registration Form at [cisi.org/qrf](https://www.cisi.org/qrf)

## Prices

Visit [cisi.org/prices](https://www.cisi.org/prices) for current prices.

## How can I study for the exam?

Formal training is available through CISI accredited training providers (ATPs). The CISI accredits those providers that demonstrate that they deliver high quality training and support to candidates preparing to sit CISI exams. To find an ATP near you, visit [cisi.org/atp](https://www.cisi.org/atp)

In addition to, or instead of, formal training, candidates can choose the self-study route. The CISI publishes a workbook for this exam. CISI workbooks offer comprehensive coverage of every area of the syllabus and the end of chapter summaries and sample questions enable candidates to ensure they are fully prepared before taking the exam.

## Recommended study time

Risk in Financial Services: 100 hours

FSA Financial Regulation/  
Principles of Financial Regulation: 70 hours

## CISI membership

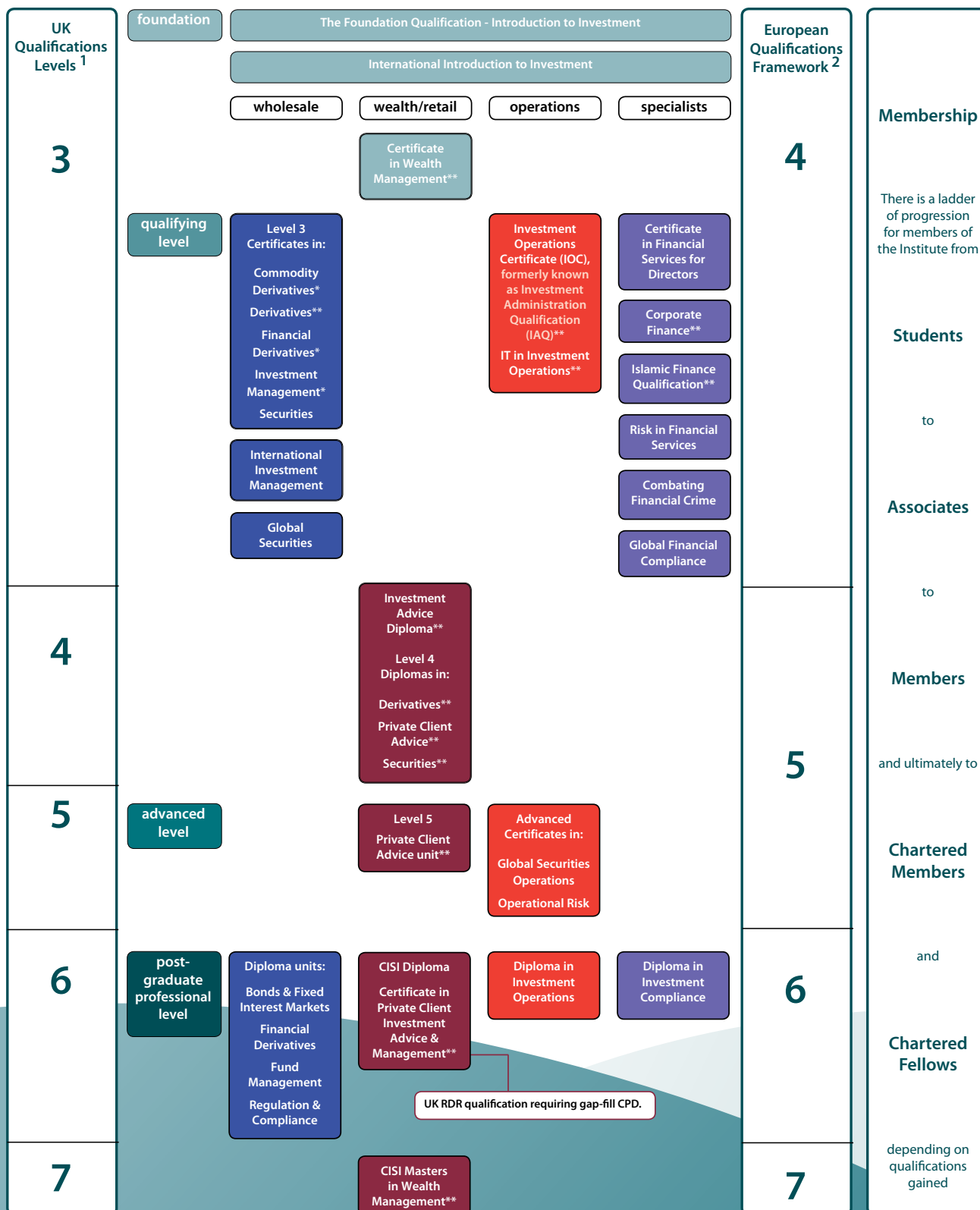
Candidates receive free student membership on completing the qualifications registration form.

Student membership benefits include:

- ✓ access to CPD log
- ✓ access to CISI TV
- ✓ access to Professional Refresher modules
- ✓ four free continuing professional development events per year
- ✓ *Securities & Investment Review* online
- ✓ discounts on conferences and training courses
- ✓ online dictionary of securities and investment terms

To join 40,000 financial practitioners and enjoy the benefits of CISI membership, go to [cisi.org/membership](https://www.cisi.org/membership)

# The Qualifications and Credit Framework



1. This column is a guide only. Within the chart, National Qualifications Framework\* and Qualifications and Credit Framework\*\* accredited qualifications are marked accordingly.

2. The European Qualifications Framework is an overarching qualifications reference framework that links the qualifications of different countries together.

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