

Addressing the compliance talent shortage in Singapore

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The financial crisis has triggered a fundamental shift in the global financial landscape. There is now a higher premium placed on sound risk management, strong corporate governance and rigorous supervision. These are, however, by no means the only challenges faced by compliance professionals today.

The rapidly changing regulatory landscape now requires compliance professionals to look at the implications of regulatory changes to financial institutions, both at the local level and the cross-border level. As investors have become more sophisticated, compliance professionals need to be extra vigilant in ensuring that financial institutions have the right processes and procedures in place for controls and disclosures.

Financial institutions in Singapore have taken a proactive approach by putting in place more robust risk management, as well as governance and control environments to safeguard themselves against potential risks as they expand their businesses in Asia. By giving their compliance functions such a strategic dimension, financial institutions consider it imperative to recruit competent compliance staff to meet the rising business demands.

Competency of compliance professionals in Singapore

According to a 2010 survey conducted by the Singapore Institute of Banking and Finance (IBF), compliance and risk management accounted for about 4,500 professionals. This covers the full spectrum of positions, from advisory to operational and support functions. The compliance industry may have experienced yet another 10 percent growth in headcount following the 2010 survey.

A separate manpower survey carried out in October 2009 on the compliance functions of financial institutions based in Singapore showed that 90 percent of these institutions had compliance staff or some form of compliance functions, managed either in Singapore or regionally. The survey was a joint effort of the IBF, International Compliance Association

(ICA) and Singapore Workforce Development Agency (WDA). The breakdown provided by the manpower survey showed that about two thirds of the respondents' compliance functions were operated in Singapore, and about one third were managed regionally or globally.

The three most common compliance roles performed by almost all the compliance staff were:

- advising on regulatory compliance matters;
- monitoring the business units' compliance with regulatory requirement; and
- liaising with regulators and other relevant parties.

HR and training issues

One of the HR challenges faced by the compliance industry in Singapore lies in hiring qualified and experienced compliance staff. Respondents to the 2009 IBF survey cited manager- or analyst-type positions as being the most difficult to recruit due to a lack of relevant experience or qualifications. Sixty percent of the respondents, however, were open to hiring and training people with no previous compliance experience. In terms of competency, respondents had identified three main areas where training was most imperative:

- industry trends and developments
- regulatory developments; and
- product knowledge.

The new financial environment now demands qualified compliance professionals with the appropriate skill sets. It is hence critical that compliance professionals develop a full set of competencies to ensure that they are well equipped for their role.

The Singapore approach

IBF has played an active role in supporting financial institutions' efforts in developing the competencies and capabilities of their talent. The Financial Industry Competency Standards (FICS), spearheaded by IBF, were introduced in 2005 to offer financial institutions a structured, practice-oriented system of training that will also assess the competencies of financial industry professionals.

FICS was developed by the industry for the industry, and benchmarked against international standards. The FICS framework provides a strategic roadmap for individuals to achieve their highest levels of professional competency. An FICS-certified professional is one who has demonstrated mastery of industry-established knowledge, skills and ethical standards to undertake the roles and responsibilities of the job that he or she is certified in.

The compliance job family is one of the most successful components offered under the FICS framework, where we have seen over 1,000 compliance professionals being trained, with about 100 of them certified since 2005.

Financial institutions in Singapore are encouraged to use the FICS framework to raise the bar for the compliance profession. When sending their staff for FICS-accredited programmes, the financial institutions will also be able to secure additional funding from the Financial Sector Development Fund (FSDF), which is currently capped at 70 percent of the FICS-accredited training and assessment fees. In addition, IBF has worked closely with various financial institutions to help them leverage FICS so that they can map out a company-specific professional career roadmap to develop their own compliance talent pool within the organisation in response to the growing scope of compliance work.

Below is a list of compliance programmes offered under the FICS framework:

FICS accredited compliance programme offered by ICA

Accredited Training Provider	Job Family	Programme	No. of Modules / Duration
International Compliance Association (ICA)	Compliance – Anti-Money Laundering	Specialist Diploma in Anti Money Laundering (Job Role V)	5 modules with assessments / (10 months)
	Compliance – Consumer Banking	Professional Diploma in Compliance (Job Role IV)	4 modules with assessments / (8 months)
	Compliance – Fund Management	Specialist Diploma in Compliance (Job Role V)	5 modules with assessments / (10 months)
	Compliance – Insurance		
	Compliance – Wealth Management	Graduate Diploma in Compliance (Job Role VI)	6 Masterclasses & Assessment / (6 half- day Masterclasses + 3 hours interview assessment)
	Compliance – Wholesale Banking		

Ong Puay See is the director overseeing strategic development at the Monetary Authority of Singapore (MAS), where she oversees the development of manpower strategies and incentive schemes with the aim of building a pipeline of talent for the Singapore financial sector. Ong also concurrently oversees the Institute of Banking and Finance, acting as its chief executive. IBF is the national accreditation and certification agency for financial industry competency standards in Singapore. She holds a Bachelor of Accountancy (Honours) degree from the Nanyang Technological University in Singapore.