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## AGRC Certificate in Compliance - Syllabus

### About the Association of Governance, Risk & Compliance (AGRC)

AGRC is a non-profit global professional accreditation & certification organization & networking platform. AGRC aims to facilitate the exchange of knowledge & sharing of experiences among Compliance, Risk & Governance professionals (GRC) with the goal of growing its community to ensure multi-jurisdictional regulatory compliance in the financial services & exchange values, experiences, expertise & professional opportunities.

### Aim of the Certification

This certification aims to offer individuals with the necessary tools, information, and skills to become an in-demand professional for organizations looking to create or strengthen their compliance function. This certificate will provide participants with a thorough understanding of the elements of effective organizational compliance, including an in-depth exploration of its concepts, considerations, and strategies for assessing risks and managing the compliance function and its related programs.

### Certificate & Training Hours

The recommended number of learning and training hours is 15 to 20. This does not include additional time studying, revising, and preparing for the exam. A candidate should expect to spend an additional 15 hours of studying time to pass the exam, depending on prior knowledge and/or work experience.

### Exam Information

Type of Exam	Multiple-choice questions (MCQs)
Number of Questions	40 questions
Passing Grade or Mark	70/100
Exam Duration	60 minutes
Method of Delivery	Computer-based

### Learning Objectives - Bloom Level

Based on **Bloom's Taxonomy**, AGRC's certificates prepares students to acquire knowledge that covers Bloom Levels 1, 2 and 3.

- **Level 1 - Remember:** Recall facts related to compliance and be able to define the main concepts involved in the compliance sector.
- **Level 2 - Understand:** Explain, describe, identify, and discuss the main ideas or concepts pertaining to the compliance function.
- **Level 3 - Apply:** Use, apply and implement the information acquired to new scenarios, and solve problems related to compliance and an organization's regulatory obligations.

## Certificate Content

### Chapter 1: The International Regulatory Environment

#### *Learning Objectives*

The students will be able to do the following upon completion of this section:

- ✓ Explain the difference between rules-based and principles-based approaches to compliance.
- ✓ Understand the different models of self-regulation.
- ✓ Recognise the many international regulatory organisations and national authorities, their standards, and their roles within the industry.
- ✓ Describe the different types of supervision within a compliance function.
- ✓ Interpret a firm's regulatory requirements and what activities and products these are applied to.
- ✓ List and explain the most important legislations that must be complied with by companies in the financial services world.

#### **1.1 Models of Regulation**

- 1.1.1 Objectives of regulation
- 1.1.2 Law and regulation
- 1.1.3 Rules-based and principles-based approaches
- 1.1.4 Models of self-regulation
  - 1.1.4.1 Key elements of an effective self-regulatory model
  - 1.1.4.2 Islamic finance adoption of self-regulation

#### **1.2 International Approach to Regulation**

- 1.2.1 Jurisdiction of the different regulators
- 1.2.2 International regulatory organisations and standards
  - 1.2.2.1. G-20
  - 1.2.2.2. Financial Stability Board (FSB)
  - 1.2.2.3. Bank for International Settlements (BIS)
  - 1.2.2.4. International Organization of Securities Commissions (IOSCO)
  - 1.2.2.5. European regulatory bodies
  - 1.2.2.6. Professional bodies

#### **1.3 Implementing Regulatory Objectives and the Approach to Supervision**

- 1.3.1 Risk-based approach
- 1.3.2 Rules-based approach
- 1.3.3 Thematic supervision
- 1.3.4 Relationship-based supervision
- 1.3.5 Religion-based supervision

#### **1.4 IOSCO's Principles Relating to the Regulator**

#### **1.5 Regulator Enforcement Powers**

- 1.5.1 Inspection and compliance programmes

- 1.5.2 Comprehensive enforcement powers
- 1.5.3 International enforcement

## **1.6 Regulated Activities and Products**

## **1.7 Regulatory Requirements on Firms**

- 1.7.1 Authorisation (including licensing and registration) and supervision
- 1.7.2 Capital adequacy
- 1.7.3 Conduct of business rules and other prudential requirements
- 1.7.4 Internal compliance function

## **1.8 Regulation of Cross-Border Business**

- 1.8.1 Home and host supervisors
- 1.8.2 Supervisory colleges

## **1.9 Key Legislations of Global Importance and Outreach**

- 1.9.1 Sarbanes-Oxley Act (2002)
- 1.9.2 Markets in Financial Instruments Directive (MiFID II)
- 1.9.3 Foreign Corrupt Practices Act (FCPA) (1977)
- 1.9.4 OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions
- 1.9.5 Dodd–Frank Wall Street Reform and Consumer Protection Act (2010)
- 1.9.6 The Foreign Account Tax Compliance Act (FATCA) (2010)
- 1.9.7 European Market Infrastructure Regulation (EMIR)
- 1.9.8 Exchanges, Multilateral Trading Facilities (MTFs) and Systematic Internalisers (SIs)
- 1.9.9 Off-Market Transactions

## **Chapter 2: The Compliance Function**

### ***Learning Objectives***

The students will be able to do the following upon completion of this section:

- ✓ Define compliance and explain the different roles involved in an organisation's compliance function.
- ✓ Understand the key components and requirements related to the compliance function.
- ✓ Implement a sound and proper compliance programme, manual and set of policies for an organisation.

## **2.1 Key Aspects of the Compliance Function**

- 2.1.1 Defining compliance
- 2.1.2 Key duties and responsibilities of a compliance function
- 2.1.3 Independence of the compliance function
- 2.1.4 Head of compliance
- 2.1.5 Responsibilities and accountabilities of management and staff
  - 2.1.5.1 Understand how to Monitor whether a business is in compliance with regulations, internal policies, and procedures
  - 2.1.5.2 Risks of non-compliance

- 2.1.5.3 Identification, measurement, and assessment of compliance risk
- 2.1.5.4 Compliance role in training
- 2.1.5.5 Non-compliance by individuals
- 2.1.5.6 Business development

## **2.2 Global Practices**

- 2.2.1 Global guidance: Ten compliance principles
  - 2.2.1.1 Responsibilities of the Board
  - 2.2.1.2 Responsibilities of senior management
  - 2.2.1.3 Adequate resources
- 2.2.2 Compliance manual and policies
  - 2.2.2.1 Purpose and scope of the compliance manual
  - 2.2.2.2 Communicating the formal status of the compliance function
  - 2.2.2.3 Compliance monitoring programmes

## **Chapter 3: Practical Aspects of the Compliance Function**

### ***Learning Objectives***

The students will be able to do the following upon completion of this section:

- ✓ Demonstrate a good understanding of the practical aspects of the compliance function including integrating regulatory requirements and developing internal policies and procedures.
- ✓ Explain the regulatory implications of different business strategies.
- ✓ Execute proper management of an organisation's relationships with regulatory authorities.
- ✓ Describe how the compliance function differs for banking institutions and other financial service providers such as investment firms.

### **3.1 Integration of Regulatory Requirements**

### **3.2 Regulations, Internal Policies, and Procedures**

### **3.3 Regulatory Implications of Business Strategies**

- 3.3.1 Outsourcing and oversight
- 3.3.2 Capital requirements
- 3.3.3 Variation of Permissions (VOPs)
- 3.3.4 Control framework
- 3.3.5 Preparing compliance reports
- 3.3.6 Access to information and personnel

### **3.4 Managing Regulatory Relationships**

- 3.4.1 Regulator Relationships
  - 3.4.1.1 How regulators manage the relationship with authorised firms
  - 3.4.1.2 Building the relationship
  - 3.4.1.3 Applications
  - 3.4.1.4 Representations

- 3.4.1.5 Regulatory visits
- 3.4.1.6 Breaches
- 3.4.1.7 Confidential information

### **3.5 The Compliance Function for Investment Firms**

### **3.6 The Compliance Function for Banking Institutions**

## **Chapter 4: Financial Crime Risk**

### ***Learning Objectives***

The students will be able to do the following upon completion of this section:

- ✓ Discuss the role of international agencies in preventing financial crime.
- ✓ Understand the impact of financial crime on organisations.
- ✓ List and explain an organisation's responsibilities vis-à-vis the prevention of financial crime including the required policies, procedures, and controls.
- ✓ Implement sanction checks and an effective and proper handling of political exposed persons.

### **4.1 Role of International Agencies**

- 4.1.1 United Nations Office on Drugs and Crime (UNODC)
- 4.1.2 International Monetary Fund (IMF)
- 4.1.3 World Bank
- 4.1.4 Financial Action Task Force (FATF)

### **4.2 Predicate Offences in Financial Crime**

### **4.3 Misstatement of Financial Circumstances**

### **4.4 Practical Implications: Impact of Financial Crime on Firms**

### **4.5 Firms' Responsibilities for Financial Crime Prevention**

- 4.5.1 Anti-money laundering (AML)
- 4.5.2 Combating financial crime (CFC)
- 4.5.3 Identifying and preventing money laundering
- 4.5.4 Money Laundering Reporting Officer (MLRO)

### **4.6 Sanctions Checking and Politically Exposed Persons (PEPs)**

### **4.6 Policies, Procedures, and Controls Required of Firms**

- 4.7.1 Risks posed to a firm
- 4.7.2 Understanding the controls
- 4.7.3 Effective training
- 4.7.4 Effective suspicious activity or transaction reporting

## **Chapter 5: Ethics, Integrity and Fairness**

### ***Learning Objectives***

The students will be able to do the following upon completion of this section:

- ✓ Understand what is meant by ethical behaviour and decision-making.
- ✓ Apply an ethical approach to the compliance function and implement an ethical culture within an organisation.
- ✓ Execute an effective ethics training programme.
- ✓ Describe corporate social responsibility.
- ✓ Define and execute a professional and fair code of conduct for an organisation.
- ✓ Identify a proper set of conflicts of interest policies for an organisation.

#### **5.1 Regulatory Standards**

#### **5.2 Professional and Fair Codes of Conduct**

#### **5.3 Applying an Ethical Approach and Creating an Ethical Culture**

#### **5.4 The Advantage of Ethical Behaviour and Decision-Making**

#### **5.5 Senior Management and Ethical Standards**

#### **5.6 Corporate Social Responsibility (CSR) and Training**

#### **5.7 IOSCO Recommendations for Developing an Effective Ethics Training Programme**

#### **5.8 Market Integrity**

#### **5.9 Conflicts of Interest Policies**

## **Chapter 6: Corporate Governance Perspectives**

### ***Learning Objectives***

The students will be able to do the following upon completion of this section:

- ✓ Define corporate governance and how to best monitor it.
- ✓ Understand the difference between unitary and two-tiered Boards.
- ✓ Describe the audit function's contribution to corporate governance.
- ✓ Recognize the many risks involved and their impact on the compliance function.

#### **6.1 Monitoring Corporate Governance**

#### **6.2 Unitary and Dual (Two-Tier) Boards**

**6.3 Maintaining Independence**

**6.4 Audit Contribution to Governance**

**6.5 Corporate Governance Training**

**6.6 Key Risk Types, their Application, and Impact on the Compliance Function**

**6.7 Risks from Stakeholders and Third Parties**

**Chapter 7: Glossary of Terms**

**Chapter 8: Practice Questions**