

International Certificate in Financial Services Regulation (ICFSR) – Syllabus

	Section	Learning objectives
PART 1 – THE PRINCIPLES OF FINANCIAL REGULATION		
1	Why we regulate financial services	
1.1	Key definitions and concepts	
	Introduction to key terms and definitions	
	Theory, strategy and practice of regulation	
1.2	Rationale for regulation	
	Monopolies	
	Consumer protection	
	Systemic risk	
1.3	Types and aims of regulation	
	Competition regulation	
	Conduct of business regulation	
	Prudential regulation	
	Systemic regulation	
1.4	Case studies	
	PPI mis-selling (Conduct)	
	Icelandic Banking crisis (Prudential/Systemic)	
2	The legal and regulatory framework relating to regulation	
2.1	The international structure of regulation	
	Supranational bodies	
	Standard setting bodies	
	Evaluation of regulatory authorities	
2.2	National regulation	
	Regulatory approaches	
	Regulatory architecture	
	Funding models	
2.3	Cross-border supervision	
	Home/host supervision	
	Enforcement cooperation	
	Crisis management	
2.4	Case studies	
	The rise and fall of the FSA (Regulatory architecture)	
	BCCI and the development of consolidated supervision (Cross border supervision)	
3	The role of financial services regulators and how they operate	
3.1	Challenges for regulators	
	Asymmetric information	
	Moral hazard	
	Forbearance and regulatory capture	
	The regulatory ratchet	
3.2	Five Principles for good regulation	
	Proportionality	
	Accountability	
	Consistency	

	Transparency	
	Targeting	
3.3	Introduction to key functions	
	Policy making	
	Authorisation, Supervision, Enforcement	
3.4	Case studies	
	Madoff (Regulatory capture)	
	Subprime mortgage crisis (moral hazard)	
PART 2 – FINANCIAL REGULATION IN PRACTICE		
4	Authorisation	
4.1	Role and objectives of authorisation	
	Gatekeeper role	
	Financial innovation	
	Integrity of participants	
	Basic threshold standards	
4.2	Authorisation approaches	
	Regulating an existing market	
	Authorising new entrants	
	Authorising changes	
4.3	Product authorisation	
	Purpose and objectives	
	Risks and challenges	
	Approaches	
4.4	Case studies	
	Approaches to Fintech	
5	Supervision	
5.1	The role and purpose of supervision	
	Interaction with policymaking and enforcement	
	Surveillance role	
	Harm reduction	
5.2	Approaches to supervision	
	Supervisory models	
	Supervisory strategies	
	Rule types	
5.3	Risk based supervision	
	The effectiveness challenge	
	Risk models– approaches and challenges	
	The use of data	
5.4	Prudential supervision	
	Purpose and objectives	
	Macro vs micro prudential supervision	
	Bank oversight	
	Non-bank oversight	
5.5	Conduct of business supervision	
	Purpose and objectives	
	Suitability	
	Standards of conduct	
	Remuneration and disclosure	
5.6	Case studies	
	Design a supervisory plan	

6	Enforcement	
6.1	Role and purpose of enforcement	
	Policing the perimeter	
	Investigations and sanctioning	
	Intelligence and information sharing	
6.2	Enforcement theory	
	Compliance v deterrence	
	Responsive regulation	
	The benign big gun	
6.3	Enforcement powers and techniques	
	Investigatory	
	Information sharing	
	Sanctioning	
	Settlements and discounts	
6.4	Case studies	
	TBD	
7	Conduct risk management and outcomes-based regulation	
7.1	Conduct risk management	
	Background	
	Key principles	
	Challenges (including financial capability and consumer behaviour)	
7.2	Outcomes based regulation	
	Background	
	Philosophy	
	Approaches	
7.3	Case studies	
	Consumer behavioural biases and heuristics	
8	The regulation of financial crime prevention	
8.1	Context	
	Scope and definitions	
	International standards	
	Roles and responsibilities	
8.2	Regulatory framework	
	Statutory requirements	
	Regulatory requirements	
	Sanctions	
8.3	Financial crime risk management	
	Risk assessment	
	Key systems and controls	
	Testing and monitoring	
8.4	Case study	
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