

MODULE SPECIFICATIONS

Certificate in Credit (CCR)

Level of Study: Foundation (Level 1)

Effective date: 1 May 2024

Version: 2.2

Revision of module specifications format

A. Module Aim

The Certificate in Credit (CCR) module equips banking executives with the technical skill set, knowledge, and tools to progress in the demanding and rapidly changing environment of credit risk management. It provides aspiring entrants and entry-level executives in the banking industry with an interest in credit to progress towards attaining the highest standards of becoming a credit professional.

B. Learning Outcomes (LO)

Upon completion of this module, candidates will be able to:

L01	Explain the components of the Malaysian financial system and their respective roles.
L02	Demonstrate knowledge of laws and regulations impacting the Malaysian banking industry.
L03	Explain the importance of good ethical practices and governance in lending.
L04	Illustrate the credit process cycle, including lending principles and risk assessment criteria.
L05	Apply the 5Cs credit risk assessment tool to evaluate business creditworthiness.
L06	Apply the CAMPARI credit risk assessment tool to evaluate consumer loan-related creditworthiness.
L07	Identify the different types of legal borrowers and the various laws governing them.
L08	Describe the importance of verifying credit, including financial information pertaining to credit risk evaluation.
L09	Describe the terms of loan agreements and documentation relating to non-property-based forms of security.
L010	Describe the law and process of creating security over properties and the related documentation.
L011	Summarise the purpose of guarantees and indemnities as credit support instruments and the law relating to documentation and enforcement.
L012	Explain the accounting doctrines, principles, and policies in financial accounting.
L013	Demonstrate an understanding of the various components of financial statement of accounts and their limitations in financial risk analysis.
L014	Understand financial accounts to undertake financial risk analysis and identify creative accounting practices.
L015	Assess management acumen, industry conditions and accounting policies, including goodwill impacting the borrower's business.

C. Mode of Delivery

This module is offered as Module on Demand. Candidates can apply and enrol anytime and attempt the exam anytime within the module time limit.

D. Learning Method

A combination of methods can be adopted that includes but not limited to:

- Workshops (compulsory/optional)
- Discussions
- Seminars
- Self-study
- Moodle (Learning Management System)

E. Qualification and Module Time Limits

The qualification and module time limit for this module is as below:

Qualification Time Limit	Module Time Limit
12 months	12 months

For an extension of qualification and module time limit, please refer to the AICB Membership and Qualification Regulations ([Membership and Qualifications Regulations](#)).

F. Deferrals and Online Exam Rescheduling

Module deferment is not applicable for this module. Candidates can defer the workshop for this module (if applicable) to the next available date.

Candidates may apply to defer their online examination and re-book the examination on extenuating circumstances ground. Effective 13th July 2024, candidates may reschedule the online examination booking up to a maximum of three (3) times per module registration.

Please refer to AICB Membership and Qualification Regulations ([Membership and Qualifications Regulations](#)) for more information on module/workshop deferment.

G. Assessment

Examination (Pearson-Vue Online)	MCQ	Written	Assignment
Duration	2 hours		
Format	80 MCQs		

H. Grade Band

The grading below is applicable for this module:

Grade Band	Marks (%)
Distinction	80 to 100
Pass	60 to 79
Fail	0 to 59

I. Module Outline

#	Learning topics	Learning outcomes (LO)	Assessment criteria
1	The Malaysian financial system 1.1 Roles of the financial system 1.2 The banking system 1.3 Financial institutions and non-bank financial intermediaries 1.4 Non-bank lending organisations 1.5 The insurance industry 1.6 The capital market system 1.7 Capital market institutions and their roles	LO1 – Explain the components of the Malaysian financial system and their respective roles.	1. Discuss the Malaysian financial system and its roles. 2. Outline the characteristics of the key participants operating in the Malaysian financial system.
2	Laws and regulations in Malaysian banking 2.1 Regulations in the banking industry 2.2 A summary of the laws affecting the credit function 2.3 Key provisions of the Financial Services Act 2013 (FSA 2013) affecting the credit function 2.4 Central Bank guidelines on credit and loans 2.5 Foreign Exchange Administration (FEA) rules and notices 2.6 Complementing and supporting regulations for the banking industry	LO2 – Demonstrate knowledge of laws and regulations impacting the Malaysian banking industry	1. Relate the need for laws and regulations governing the Malaysian banking industry. 2. Distinguish the laws, regulations, guidelines, and ethics in banking. 3. Identify the key provisions of the Financial Services Act 2013 (FSA), and related legislation regulating the credit risk function. 4. Identify Bank Negara Malaysia (BNM) guidelines on credit, including the key requirements of the FEA rules and notices affecting credit.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
			5. Identify and apply the relevant key provisions of the main laws and regulations affecting banking and credit.
3	Ethics and corporate governance 3.1 Banking ethics for banking executives 3.2 Understanding corporate governance in organisations	LO3 – Explain the importance of good ethical practices and governance in lending.	1. Outline the significance of ethics and corporate governance in lending activities. 2. Discuss the implementation of key provisions on ethics and corporate governance in lending practices.
4	Principles of lending 4.1 Introduction to lending 4.2 The credit process cycle 4.3 Principles of lending 4.4 Credit analysis: Credit risk assessment 4.5 Scope of credit risk assessment	LO4 – Illustrate the credit process cycle including lending principles and risk assessment criteria.	1. Describe the constituents of the credit risk process cycle. 2. Explain the principles of lending. 3. Demonstrate the approach and process to credit risk assessment.
5	The 5Cs credit risk assessment framework 5.1 The 5Cs framework	LO5 – Apply the 5Cs credit risk assessment tool to evaluate business creditworthiness.	1. Demonstrate the application of the 5Cs of credit when undertaking business credit risk assessment. 2. Distinguish the relevance of each component of the 5Cs in evaluating business credit risk.
6	The CAMPARI credit risk assessment framework 6.1 The consumer lending framework 6.2 The CAMPARI model	LO6 – Apply the CAMPARI credit risk assessment tool to evaluate consumer loan-related creditworthiness.	1. Demonstrate the application of the CAMPARI model when undertaking consumer-related credit risk assessment. 2. Distinguish the relevance of each component of the CAMPARI model in evaluating consumer credit risk.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
7	Borrowers and their legal status 7.1 The legal relationship between the bank and the borrowing customer 7.2 Borrower entities and their legal status: Types of borrowers 7.3 Individual personal borrowers 7.4 Registration of business borrowers 7.5 Co-operative societies 7.6 Clubs and societies 7.7 Government organisations	LO7 – Identify the different types of legal borrowers and the laws governing them.	1. Distinguish the different borrowing entity types and their distinct characteristics. 2. Recognise the legislation governing the various types of borrowing entities and its implications.
8	Credit information and its verification 8.1 Credit information for risk assessment 8.2 Information risk: Credit and fraud implication 8.3 Sources of credit information 8.4 Scope of credit information 8.5 Quality of credit information and information verification 8.6 Warning signals and observations during credit verification and processing 8.7 Financial information of individuals, businesses, and companies 8.8 Valuation reports and content	LO8 – Describe the importance of verifying credit, including financial information pertaining to credit risk evaluation.	1. Describe the importance and scope of credit information. 2. State the required credit information, sources of accessibility and the tools available for verification. 3. Explain the credit information verification process and the systems used. 4. Explain the required financial information for the different types of borrowers. 5. Interpret the valuation reports of collaterals based on the approach and methods adopted in the processional valuation exercise.
9	Loan agreement and documentation of non-property-based forms of security 9.1 The credit officers' and solicitors' roles 9.2 Loan documentation: The loan agreement 9.3 Events of default 9.4 Security requirement	LO9 – Describe the terms of loan agreements and the documentation relating to non-property-based forms of security.	1. Explain the purpose and main features of a loan agreement. 2. Describe the various forms of security and the related documentation. 3. State the purpose of proper legal documentation when granting loans.

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	9.5 Basic steps for taking a security 9.6 Securities and their documentation 9.7 Credit documentation 9.8 Unsecured lending		4. Explain the rationale for imposing covenants including negative pledge. 5. Relate the use of power of attorney and statutory declaration in loan documentation.
10	Property security 10.1 Land and properties 10.2 Alienation of land 10.3 Land and land laws 10.4 Dealings over land: transfer, charges, assignments, and liens 10.5 Types of charges 10.6 Bankruptcy search 10.7 Documentation of a charge 10.8 Documentation of the deed of assignment 10.9 Documentation process 10.10 Disbursement of the loan	LO10 – Describe the law and process of creating security over properties and the related documentation.	1. Explain aspects of the law, particularly essential provisions of NLC 1965, relating to property security documentation. 2. State the process relating to property security creation under different transaction scenarios. 3. Describe the security documentation process for properties without titles and non-landed properties.
11	Guarantees and indemnities 11.1 Guarantees 11.2 Enforcement of guarantees 11.3 An indemnity	LO11 – Summarise the purpose of guarantees and indemnities as credit support instruments and the law relating to documentation and enforcement.	1. Describe the purpose and law for guarantees and indemnities. 2. Discuss the documentation process of guarantees and indemnities.
12	General accounting principles and policies 12.1 Management and financial accounting 12.2 Accounting practices 12.3 Accounting doctrines 12.4 Accounting principles 12.5 Accounting policies	LO12 – Explain the accounting doctrines, principles, and policies used in financial accounting.	1. Describe the use of accounting doctrines in financial accounting. 2. Describe the accounting principles and policies applicable in financial accounting practices.
13	Understanding financial statements 13.1 Components of annual reports 13.2 Fundamentals of the statement of financial position	LO13 – Demonstrate an understanding of the various components of financial statement of accounts and their limitations in financial risk analysis.	1. Demonstrate an understanding of the various components of an annual report. 2. Outline the fundamentals of the statement of financial position.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
	13.3 Fundamentals of the statement of comprehensive income 13.4 Fundamentals of the cashflow statement 13.5 Limitations of financial statements		3. Outline the fundamentals of the statement of comprehensive income. 4. Highlight the fundamentals of the cash flow statement. 5. Discuss the non-financial information contained in the financial report. 6. Outline the limitations of financial statement analysis.
14	Quantitative analysis of financial statements 14.1 Characteristics of good financial analysis 14.2 Pre-requisites to financial statement analysis 14.3 Financing needs 14.4 Critical assessment of the content of audited financial statements 14.5 Use of ratios in analysing audited financial statements 14.6 Practical aspects of statement of financial position analysis 14.7 Practical aspects of statement of comprehensive income analysis 14.8 Practical aspects of cashflow statement analysis 14.9 Creative accounting	LO14 – Understand financial accounts to undertake financial risk analysis and identify creative accounting practices.	1. Describe the breadth and width of financial statement analysis required to identify and mitigate credit risk. 2. Demonstrate the computation and use of various ratios under different categories as a tools of credit risk analysis. 3. Discuss the link between financial statement ratios and credit risk issues. 4. Highlight the common creative accounting techniques employed by borrowers.
15	Qualitative aspects of financial statement analysis 15.1 Management and shareholders 15.2 Conditions 15.3 Accounting policies and statement review 15.4 Position 15.5 Goodwill	LO15 – Assess the management acumen, industry conditions and accounting policies, including goodwill impacting the borrower's business.	1. Discuss the importance of assessing the borrower's character and business acumen in managing the operation. 2. Demonstrate an understanding of the knock-on impact of industry conditions on the borrower's financial health.

#	Learning topics	Learning outcomes (LO)	Assessment criteria
			<ol style="list-style-type: none"> 3. Explain the consequences of inconsistent accounting practices on the borrower's business. 4. Recognise the implications of the role of positions and goodwill to the borrower's business.

Note: This document contains information that is deemed accurate and valid as of the date of publication.