

**SKILLS FRAMEWORK FOR FINANCIAL SERVICES
TECHNICAL SKILLS AND COMPETENCIES (TSC) REFERENCE DOCUMENT**

TSC Category	Risk Management, Governance and Regulatory Compliance					
TSC	Market Risk Management					
TSC Description	Identify, monitor and manage risks arising from movement in market prices such as foreign exchange rates, interest rates, credit spreads, equity and commodity prices, cash flow and liquidity positions					
TSC Proficiency Description	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6
			FSE-RIM-3023-1.1-1	FSE-RIM-4023-1.1-1	FSE-RIM-5023-1.1-1	
			Monitor and analyse market risk drivers, conduct market risk assessments across business function, implement risk controls and execute risk response activities	Develop scope of market risk management framework within functional tracks, analysing market risk drivers, developing risk response activities and providing market risk management advisory	Establish market risk management strategies in line with the organisation's overall risk management framework	
Knowledge			<ul style="list-style-type: none"> • Management Information Systems (MIS) for risk management • Market risk assessment, profiling and analysis • Market risk driver measurements and analytics • Scenario analysis and stress testing • Risk controls and risk response activities • Financial mathematics and modelling • Asset-liability management principles 	<ul style="list-style-type: none"> • Market risk strategy, frameworks and controls • Market risk data management and emerging technology requirements • Market risk mitigation planning and implementation • Local market risk guidelines and codes • Quantitative model implementation • Data management and technological tools available 	<ul style="list-style-type: none"> • Enterprise risk management strategy and frameworks • Market risk guideline development for internal business processes • Regional market risk guidelines and codes 	
Abilities			<ul style="list-style-type: none"> • Apply risk controls and ensure adherence to market risk limits • Validate market data and monitor market risk indicators and market limits • Monitor adoption of market risk guidelines 	<ul style="list-style-type: none"> • Develop market risk management framework • Review market risk limit application in line with business risk appetite • Facilitate adoption of market risk guidelines and controls 	<ul style="list-style-type: none"> • Establish market risk management strategies and frameworks in adherence to overall risk management strategy • Devise market risk limits, guidelines and controls based on trade risk appetite 	

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			<p>and controls, flagging non-compliance</p> <ul style="list-style-type: none"> • Review and validate market data of trading and/or other activities • Conduct market risk reporting, market risk driver assessments prioritising market risk with high level impact to business • Implement scenario analysis and stress testing Execute risk response activities in line with risk mitigation plans. • Conduct financial mathematics, modelling and stress testing 	<ul style="list-style-type: none"> • Develop adoption approach of new risk technologies and risk data management strategies • Define data requirements and structure to support effective risk management framework and methodologies • Inspect market risk driver assessment, profiling and analytics to ensure alignment with market risk framework • Facilitate scenario analysis process and stress testing analytics, providing enhancements to design • Develop market risk mitigation plans and review risk response activities 	<ul style="list-style-type: none"> • Lead the adoption of new risk technologies and risk data management strategies • Drive the design, and implementation of scenario analysis processes and analytics • Guide market risk mitigation strategies on trade valuations and market pricing • Lead the adoption and communication of market risk framework, policy and procedure across business • Establish the design, implementation and communication of scenario analysis processes and analytics related to market risk assessments 	
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