

Developing a qualifications structure for the finance services industry in Malaysia and beyond

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The development of qualifications systems and frameworks assists in promoting lifelong learning and work-based recognition systems. Several nations in the Asian Pacific region have established national qualifications frameworks across their respective educational sectors (e.g., Australia, New Zealand, Hong Kong, Malaysia and the Philippines), whilst others have frameworks for specific educational sectors (e.g., Singapore and Thailand). Work is also underway to develop an ASEAN Qualifications Reference Framework which “will enhance each country’s national qualification framework or qualification system while providing a mechanism to facilitate comparison and transparency” (ASEAN 2013: p. 2). However, academic- and vocational-based qualifications remain the primary emphasis of these frameworks. This paper focuses on the development of a Finance Qualifications Structure (FQS) and the crucial role this

will play in the development of human capital in the financial services industry (FSI) not only in Malaysia, but across Asia and beyond into the Middle East, African and European regions. The FQS aims to integrate and harmonise all the professional qualifications in the FSI into a single structure on the basis of FAA Learning Standards and FAA Recognition of Learning (RPL). Talent management and mobility in the FSI is a key concern as is the need to recognise the competencies of those who have been working in the sector for many years but may possess only professional but not academic qualifications. The paper is centred on the role played by the Finance Accreditation Agency (FAA) in developing the FQS through high levels of stakeholder engagement and consultation, both nationally and internationally and the important role played by the recognition of prior learning. The level of industry and stakeholder engagement in the development of the FQS and the importance of the FAA Recognition of Learning (FRL) have been outstanding features of FAA's activities and have been identified as key enablers by the International Labour Organization (ILO) for fostering effective lifelong policy and practice (Singh and Duvekot 2013).

Keywords: *Finance Qualifications Structure, learning standards, recognition of prior learning, national qualification frameworks, finance services industry, Malaysia.*

Introduction

The concept of lifelong learning is becoming increasingly important in the Australian, Asian and Pacific regions where 'globalization and economic integration are making learning and training policies even more important. It is now widely recognized that a well-trained work force is the key to provide firms with a competitive edge. There is a clear need to equip workers with higher and different skills to enable them to adapt to accelerating technical and market changes' (ILO, 2004, p. iii). Policies of lifelong learning and national qualifications frameworks (NQFs) and systems are inextricably linked. In a report commissioned for the Asia-Pacific Economic Cooperation (APEC) Human Resources Development Working Group (HRDWG) on the mapping of qualification

frameworks across APEC economies, the authors explicitly make this link between NQFs and lifelong learning:

If backed by a good system of quality assurance, they can support the development of workers' skills, facilitate educational and labour market mobility, and help improve the access of individuals to higher and different levels of education and training over their lives. Education and training providers and authorities are able to design more consistent and linked qualifications when descriptors of qualifications are developed within NQFs. Employers benefit in their recruitment and training of staff when they can understand and have confidence in qualifications. (Burke et al., 2009:1).

There is no denying the important role played by RPL in fostering lifelong learning. Atchoarena (2003) reported on a joint project between the International Institute for Educational Planning (IIEP/UNESCO), the Korea Research Institute for Vocational Education and Training (KRIVET), the National Institute for Educational Policy Research (NIEPR) of Japan and Australia's National Centre for Vocational Education Research (NCVER). The three issues the project was focused upon was (1) financing of lifelong learning, (2) recognition of qualifications and prior learning and (3) the impact of lifelong learning strategies on education systems. The ILO (2004) also proffer the numerous advantages offered by well designed recognition systems: 'better identification and use of skills by existing employees; assistance and guidance in [human resource development] HRD planning; improved enterprises' recruitment of staff; improved credibility of qualifications and training provision; the creation of systems of certification of portable skills that are recognised across enterprises, sectors, industries, educational institutions; and, the promotion of labour market mobility' (ILO 2004: 38).

Malaysia introduced the Malaysian Qualifications Framework (MQF) in 2007; however it is still perceived as being in its early stages of implementation (Burke et al., 2009; Keating, 2011). Keating (2011) refers to the development of the MQF as a 'second phase framework located in a middle-level economy' (Keating, 2011: 397). In terms of waves of NQFs, Allais et al. (2009) differentiated the first wave of NQFs

which were established in developed nations (Scotland, England, New Zealand, South Africa and Australia) from the more recent second wave. Chakroun (2010) notes that in 2009, there existed 70 NQFs, with most of these established between 2005 and 2009. Later, a joint publication by the European Training Foundation (ETF), the Centre for the Development of Vocational Training (Cedefop) and UNESCO's Institute for Lifelong Learning (UIL) (ETF, CEDEFOP & UNESCO-ILL, 2013) mapped NQFs globally in 2013 and found there to be 142 NQFs in existence.

The *Financial Sector Blueprint 2011-2020* for the Malaysian economy places the finance sector firmly at the forefront of economic growth and the aspirations of Malaysia in becoming a developed nation by 2020 and to build on Malaysia's existing leadership in Islamic Finance. Key to this will be the 'intensification of regional economic and financial integration ...[and] to develop Malaysia as an International Islamic Financial centre' (Bank Negara Malaysia, 2011: 4). To achieve the aspirations, an emphasis is clearly laid in the Blueprint as well as the *Securities Commission Malaysia's Capital Market Master Plan 2* to enhance the skills and competencies of the existing workforce to enable them to perform in a more competitive and globalised environment and to meet rigorous standards in delivering intended learning outcomes that are relevant to the needs of the financial services industry (FSI) and that professionals in the FSI are fully competent of their roles.

In line with the emphasis, the Finance Accreditation Agency (FAA) was established in 2012 as an international and independent quality assurance and accreditation body for the FSI supported by the Central Bank of Malaysia and Securities Commission Malaysia. The FAA has engaged in high levels of stakeholder engagement to fulfil its mission to inspire and promote the highest quality in continuing education and professional development for the FSI through its globally benchmarked accreditation framework, standards and practices (FAA, n.a.).

The paper describes the role of FAA in terms of one of its most important initiatives which is the development of a Finance Qualifications Structure (FQS) for the FSI. As the MQF is still in its early stages of implementation, its emphasis had been on academic and vocational qualifications, ranging from Certificate to Doctoral

degree levels with little focus on professional-based qualifications. The professional-based qualifications in this context should not be confused with specific qualifications that are required to perform an occupation such as those required by medical doctors, engineers and accountants, to name a few, but those that are offered to FSI employees leading to certification. On the offset, the FQS would function similarly as that of NQFs as described by Burke et al. (2009) through mapping and levelling various professional qualifications in the FSI based upon the specific competencies and outcomes to be achieved, along with the recognition of prior learning (RPL) mechanisms. Launched on September 2 this year, the FQS will be amongst the first of such initiatives to recognise such professional qualifications and prior learning experiences possessed by the FSI practitioners for the purpose of career development.

The FQS will remain isolated from the academic frameworks until and when a comprehensive mapping exercise is carried out in 2015, beginning with the MQF so that more objectives in promoting the quality of human capital development can be realised. These include opportunities for FSI employees to pursue academic qualifications with possible exemptions and facilitate the engagement of industry experts (through bundling of professional qualifications and RPL) to teach university curriculum. In addition, the FQS will benefit undergraduate and postgraduate students in terms of providing a holistic curriculum combining both academic and industry requirements, making them job ready upon graduation. For training providers, the FQS aids in the development of curriculum and creating qualifications with appropriate learning outcomes. Regardless of the beneficiaries, the FQS will contribute to the talent development initiative in the FSI across different economies including the Asian and beyond into the Middle East, African and European regions through a collaborative approach with different stakeholders. The central role played by RPL within the FQS will be discussed along with the level of stakeholder engagement and the plans to implement the FQS internationally, with particular reference to Islamic Finance. Gobaloo and Fahmin (2013) in their paper on the role of the MQF and RPL provide a Malaysian context to this issue. They estimate 9 million Malaysian workers out of a workforce of 12 million have fewer than 9 years of schooling. As a result the MQF and RPL have a significant role to play in human capital development to ensure

national sustainability and competitiveness.

Role of NQFs and systems in skills and labour mobility

In a recent report conducted jointly by the Asian Development Bank Institute, the Organisation for Economic Co-operation and Development (OECD) and the International Labour Organisation (ILO) (Xing, Dumont and Baruah, 2014), the important role of labour migration and skills mobility in Asia was the focus. Migration of labour and in particular skilled labour is growing in importance worldwide and flows from and into Asia are increasing:

Labour migration from and within Asia is of growing importance to meet labour needs both within the region and in non-Asian OECD countries. ...Asia is clearly the number one source region for managed labour migration flows, and its importance has steadily grown in recent years. In particular, the PRC [People's Republic of China] has shown significant growth in recent years as an origin country, and 1 in 10 new immigrants to the OECD is Chinese. Other key origin countries are The Philippines, Pakistan and Viet Nam. Especially the OECD settlement countries—Australia, Canada, New Zealand, and the United States—host significant numbers of skilled labour migrants from Asia (Xing et al., 2014: 13).

The report notes that a number of 'rising economies in the region, such as Malaysia, Singapore, Taipei, China, Thailand, and Hong Kong, are attracting a growing share of workers from other parts of Asia... The planned development of a free mobility area for skilled labour migration within ASEAN can be expected to have a significant impact, both on the size and composition of the flows within the region and also to OECD countries' (Xing et al., 2014: 13). The increase in labour mobility throughout the Asian region and to OECD countries is a sign of the growth in economies within the region and the critical need to have quality assurance mechanisms in the education and training sectors to enable mutual recognition and mapping of qualifications across the region. Otherwise, the mobility which is needed will be stymied and will exacerbate talent management imperatives.

In this context, FAA has been approached by a number of financial

institutions on the possibility of employees practising across jurisdictions as a result of the globalisation efforts of such institutions. Accordingly, employees who have obtained certification in the country they practiced have been requested to do another certification when they are transferred and/or reassigned, resulting in time and productivity lost. It has been reported that 80% of the coverage of such programmes are similar to what they already knew, thus giving rise to frustrations on the side of the employers and employees. The FQS can thus play the role of the NQFs in facilitating skills and labour mobility when the structure is recognised and accepted by different jurisdictions.

Qualification frameworks and systems in the Asian region

A report on the qualifications frameworks in APEC economies was undertaken for the Asia-Pacific Economic Cooperation (APEC) Human Resources Development Working Group (HRDWG) Education Network Subgroup (EDNET) (Burke et al., 2009). The study was conducted collaboratively between the Centre for Economics of Education and Training at Monash University, the Centre for Postcompulsory Education and Lifelong Learning at the University of Melbourne, and the Victorian Registration and Qualifications Authority. Data was collected on 21 APEC members of which, seven had NQFs: Australia, Hong Kong SAR China, Malaysia, New Zealand, Singapore, Thailand and The Philippines. Korea has a framework in development. Table 1 maps these NQFs and the authorities who administer them.

Table 1: *Academic qualification frameworks in the Asian region*

All Sectors (Secondary School, VET & HE)		
Country	Framework	Authority
Australia	Australian Qualifications Framework	AQF Council
Hong Kong	Hong Kong Qualification Framework, October	Education Bureau of the Hong Kong SAR Government
Malaysia	Malaysian Qualifications Framework	Malaysian Qualification Agency (MQA)
New Zealand	New Zealand Qualification Framework	New Zealand Qualifications Authority

The Phillipines	* Phillipine National Qualifications Framework (PNQF), December 2012	Technical Education & Skills Development Authority (TESDA) Federation of Accrediting Agencies (FAAP) and (CHED)
VET Sector ONLY		
Country	Framework	Statutory authority
Singapore	Singapore Workforce Skills Qualifications (WSQ)	Workforce Development Agency (WDA)
HE Sector ONLY		
Country	Framework	Statutory authority
Thailand	National Qualifications Framework for Higher Education in Thailand	Ministry of University Affairs (MUA)

**both sectors covered but managed by two different entities*

Sources: Burke et al (2009); FAA (2013)

Regional qualification systems

The European Qualification Framework (EQF) was adopted in 2008. It was established so as to enable the comparison of qualifications from different European countries. Only three European nations had NQFs at the time the EQF was adopted (Ireland, France and UK). 'A total of 36 countries are now working together to implement the EQF: the 28 EU Member States plus the former Yugoslav Republic of Macedonia, Iceland, Liechtenstein, Montenegro, Norway, Serbia, Switzerland and Turkey' (CEDEFOP, 2013: 1). At the time of this report, all 36 of the nations involved in the EQF have or were developing their own NQFs.

The European Qualifications Framework (EQF) acts as a translation device to make national qualifications more readable across Europe, promoting workers' and learners' mobility between countries and facilitating their lifelong learning. The EQF aims to relate different countries' national qualifications systems to a common European reference framework.

Individuals and employers will be able to use the EQF to better understand and compare the qualifications levels of different countries and different education and training systems' (EC, 2012).

The Burke et al.'s (2009) study commissioned by APEC recommended a voluntary regional framework should be developed for the Asia-Pacific region which aligns itself with the 8 core features of the EQF.

The Association of Southeast Asian Nations (ASEAN) is a regional body made up of the following 10 members: Malaysia; Indonesia; Singapore; Thailand; the Philippines; Cambodia; Vietnam; Burma; Brunei Darussalam; and Laos. The ASEAN concept proposal for an ASEAN Qualification Reference Framework found traction with a project on Education and Training Governance which was part of the ASEAN-Australia-New Zealand Free Trade Area (AANZFTA) Economic Cooperation Work Programme (ECWP). A draft of the ASEAN Qualifications Reference Framework was published in 2013, with the stated purposes of the Framework being very similar to the purposes of the EQF, to: 'support recognition of qualifications; facilitate lifelong learning; promote and encourage credit transfer and learner mobility; promote worker mobility and; lead to better understood and higher quality qualifications systems' (ASEAN, 2013: 2).

The ASEAN Qualifications Reference Framework will support and enhance each country's national qualifications framework or qualifications system while providing a mechanism to facilitate comparison and transparency. The ASEAN Qualifications Reference Framework will link the participating ASEAN NQFs or qualification systems and become the ASEAN's mechanism for recognition of its qualifications against other regional and international qualifications systems (ASEAN, 2013:2).

This paper now presents the activities of the FAA and its work in developing a FQS for the FSI in Malaysia and beyond.

Developing a qualification structure for the financial services industry in Malaysia

Financial Services Industry (FSI)

The FSI has been acknowledged as a crucial sector of any economy. In 2012, the FSI accounted for 5% of the Gross Domestic Product (GDP) of the world and further growth in the sector is to be anticipated. Along with the unprecedented growth, however, comes challenges which amongst others, the availability and development of sufficient human capital to support the growth in the FSI (Manshor and Chong, 2014). This is evident from many of the surveys conducted across the globe. For instance, the Global Financial Services Industry survey conducted by Deloitte (2013) on 200 senior executives around the world reported that human capital shortage is one of the paramount issues to be addressed. Specifically, more than half of the respondents surveyed concurred that finding talent with appropriate qualifications and developing the right incentives to maintain the turnover rate is critical for the future growth of their companies. The findings corroborate the global survey by Price Waterhouse Coopers (2013) which found that on average, close to half of the FSI experienced a deficit of skilled candidates, with less than a quarter of the Chief Executive Officers planning to invest in filling talent gaps.

In another survey on the financial services sector in Australia (n=404) by Robert Half Finance & Accounting (2009), more than half of the respondents attributed lack of training and development opportunities within organisations as a reason for the shortage of talent. Such a concern is translated across other sectors within the FSI, including Islamic Finance in which 61% of those surveyed in Deloitte's Islamic Finance Leaders Survey in the Middle East in 2010 concluded that FSI professionals require more training and skills development. Similarly, the *Malaysian Financial Sector Blueprint 2011-2020* highlights the need for high quality and competent human capital to sustain the FSI, in which some areas of concern include enhancing the overall content and quality of learning programmes as well as development of certification of skills level or competencies required for the key functions and positions within the sector. The *Malaysian Financial Sector Blueprint 2011-2020* identifies 9 focus areas, some of which fall under the brief of this special

issue:

- Strengthening regional and international financial integration;
- Internationalisation of Islamic Finance; and
- Talent management to support a more dynamic financial sector.

The Blueprint emphasises the latter point through the need to develop talent at the entry level, promoting lifelong learning for the existing workforce, and attracting talent from overseas or abroad which will require greater collaboration and coordination amongst various agencies beyond the financial sector.

A further critical success factor to achieve the vision for the financial sector is the supply of highly-skilled talent. The changing demographics consisting of a multigenerational workforce and the increasing international mobility of labour will further intensify the global war for talent. Going forward, the Bank will continue to support and complement industry initiatives aimed at ensuring the supply of a deep pool of highly-skilled talent to drive the financial services sector. Efforts will also be put in place to create an enabling environment that will promote Malaysia as a centre of excellence for financial sector education (Bank Negara Malaysia, 2013: 43).

The aforementioned issues imply that an integrated and coordinated approach is required to ensure global quality talent development and availability in the FSI. To this end, quality assurance initiatives need to be in place that will inspire confidence of the industry and which can be used as a basis for learning and development of its human capital. This suggests the need for the establishment of a comprehensive quality assurance framework to ensure quality and consistency of learning content across the FSI. Inherent in the quality assurance framework is the development of learning standards based on internationally benchmarked industry requirements which serve as minimum standards as curriculum is designed, developed and delivered. On a wider scale, a Qualification Structure with the purpose of harmonising and integrating qualifications in the FSI into a single structure is required for the purpose of mobility of FSI employees both for career development and for seeking higher academic qualifications. The buy-in for such a

structure is subsequently warranted through collaborative partnerships between institutions of higher learning and the FSI to ensure sufficient talent availability for the sustainability of the industry. It is against this backdrop that the FAA was established.

Finance Accreditation Agency (FAA)

Established in August 2012, the FAA's vision is to become a: *Global Leader in Ensuring Quality Learning in the Financial Services Industry*, with a mission to: *inspire and promote the highest quality in continuing education and professional development for the FSI through its globally benchmarked accreditation framework, standards and practices*. The FAA is mandated to contribute to the FSI through the following functions:

1. Establish quality assurance and accreditation framework and criteria;
2. Accredite programmes, institutions and individuals that fulfil the set criteria and principles;
3. Promote and implement recognition of prior learning standards and practices;
4. Maintain and administer the Qualification Structure for the FSI;
5. Register and maintain the FAA approved training providers and/or accredited learning programmes and qualifications, institutions and individuals in the FSI;
6. Seek global recognition of learning and qualifications;
7. Facilitate the recognition and articulation of learning programmes and qualifications through mutual recognition initiatives; and
8. Seek accreditation and strategic alliances with world-renowned accreditation agencies and relevant institutions.

The FAA has since developed the FAA Quality Framework (FQF) which serves as an overarching framework for institutional, learning programmes and individual accreditation. Specifically, the FAA Learning Criteria (FLC) was developed to assess and accredit learning

programmes. Comprising 6 dimensions, the third dimension of the FLC (learning programme structure) has been further supported through the development of 227 FAA Learning Standards (FLS) which serve as the minimum requirements for the design, development and delivery of learning programmes related to Islamic Finance, Banking, Insurance, Capital Markets and Corporate Programmes.

Given the nature of the roles of the FAA, it has been imperative that FAA is independent and transparent in dealing with all quality assurance and accreditation activities so as to gain and maintain the trust and confidence of policy makers, FSI, its employees and the public in the standards and systems developed and implemented. To facilitate the accreditation process, FAA has established three independent committees, namely the FAA Technical Committee (FTC), FAA Accreditation Committee (FAC) and the FAA Accreditation Panel (FAP). The FTC and FAP members consist of renowned experts in the FSI from the sectors of Islamic Finance, Banking, Insurance, Capital Markets and Corporate Programmes.

Both the FAA Learning Criteria (FLC) and FLS are used for learning programme accreditation submitted for FAA Approval, FAA Provisional Accreditation and FAA Full Accreditation, generally known as FAA Programme Accreditation (FPA). FAA defines FPA as a process to recognise that the design, development, delivery and all other related activities of a learning programme provided by the FAA registered training providers meet the FLC and are in compliance with the requirements of the FSI.

FAA defines institutional accreditation as an external quality review to evaluate and recognise the training providers as having the capabilities to conduct a specific range of learning programmes aimed at advancing the development of talents based on the FQF, whereas individual accreditation is described as a process to assess and recognise the competencies of an individual, i.e. knowledge, skills and applications against a set of defined workplace skills using suitable assessment methodologies based on the competency framework of the FSI.

Finance Qualification Structure (FQS)

Taken together the FQF, FLC and FLS, coupled with FAA Recognition

of Learning (FRL), pave the way for the development of the FQS. The objective of the FQS is to harmonise, integrate and streamline professional qualifications in the FSI into a single qualification structure. The added value of the FQS is translated in several ways:

1. It is an overarching classification of recognised qualifications;
2. It makes the content of qualifications and their mutual relationships clearer through appropriate levelling;
3. It enhances communication on qualifications between education and training providers and the employment market;
4. It consolidates the potential for exchanges between various learning systems; and
5. It enables individuals in the FSI to understand and plan their career progression.

In other words, the FQS enables equivalency of the different levels of professional qualifications to be mapped against various qualifications frameworks and industry standards. As such, it is a comprehensive structure developed primarily based on three critical components:

1. Accreditation of learning programmes in the FSI for the purpose of recognition, credit transfer or exemption;
2. Recognition of prior learning; and
3. Career progression and personal development through the FSI competency framework.

Figure 1 shows the proposed relationships between the FQS and the academic as well as, the professional (skill-based) qualifications frameworks, to facilitate overall understanding of how the FQS is and/or will be structured based on the different sectors within the FSI (Figure 2). The FQS contains qualification descriptors (QDs) and qualification outcomes (QOs) reflecting the different professional qualifications in the FSI (Finance Qualifications Structure, 2014). Figure 2 also shows how the FQS will be mapped against the different levels of academic qualifications frameworks. The proposed FQS was derived from an extensive desktop review which identified 12 academic and 5 professional qualifications frameworks from different regions such as

Australasia, Eastern Asia, Europe, North America and South East Asia, many of which are identified in Table 1, as well as, the EQF (Finance Qualifications Structure, 2014).

Figure 1: Description of FQS

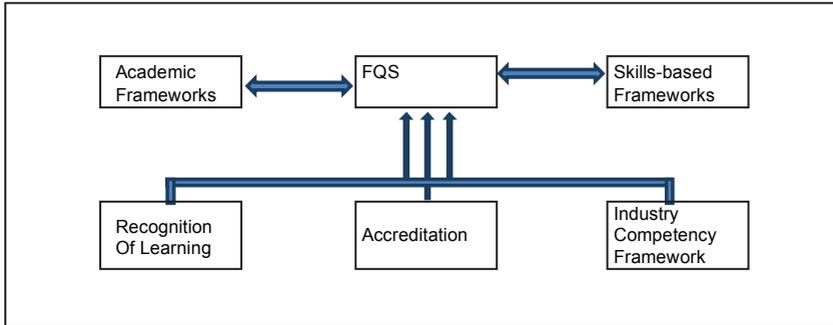


Figure 2: Proposed mapping of learning programmes in FSI based on FQS levels, equivalency to academic and professional qualification frameworks and RPL

Academic Frameworks	Qualifications					FQS Levels	Recognition of Learning
	Islamic Finance	Conventional Banking	Insurance	Capital Markets	Others		
8						6	
7							
6	List of Qualifications According to FSI Sectors					5	
5						4	
4						3	
3						2	
2						1	
1							

Subsequently, corresponding levels for each of the frameworks were established in order to understand and interpret the levelling in the context of FQS. It is on this premise that six levels are developed. Level 1 denotes the non-executives who possess a minimum qualification of ‘O’ Levels of equivalent. This level thus sets the basis of expectations

as individuals progress to the subsequent levels based on the relevant professional certification, continuous professional development/ education (CPD/CPE), prior learning and other work considerations. The highest level (Level 6) shall be equivalent to C-level individuals.

At each level of the FQS, QDs are developed which reflect the components of competencies required. In sync with the outcome-based nature of the FQS, the QDs are matched to the learning outcomes of each of the FLS levels through the 7 domains (knowledge; application skills; teamwork and leadership skills; problem solving and decision making skills; business and intrapreneurial skills; lifelong learning skills; and ethics and professionalism) which describe the QOs. It is on the basis of the QOs that mapping of professional programmes are made in the FQS. In addition, the FQS levels also enables individuals to determine their competencies (through individual accreditation) so that learning programmes at the appropriate level and/or sector can be determined. This is justified in the efforts to tie FQS closely to the industry competency framework and RPL.

The role of RPL: Filling the qualification gaps through recognition of learning

Singh and Duvekot (2013) in their synthesis of the link between recognition practices and NQFs assert that 'good practices' in summative accreditation tend to do the following:

1. Build upon the existing (national) procedure for quality-assurance of formal learning outcomes;
2. Professionalize the staff assigned to quality assurance by recognizing and assessing the value of sector-related non-formal and informal learning outcomes;
3. Strengthen expertise by setting up (or strengthening) network relations with relevant stakeholders in the sector (employers, trade unions, etc.); and
4. Focus on regional practices in learning and working.

Once this roadmap has been followed, it is a matter of benchmarking other countries' practices to find out which practices in other countries approaches to linking NQFs and RVA [recognition, validation and accreditation] might be adopted and integrated into existing lifelong

learning systems (Singh and Duvekot 2013, p. 27).

In relation to the work of the FAA individual accreditation is referred to as the FAA Recognition of Learning (FRL). FRL is a set of guidelines that enable individuals in the FSI to gain recognition for competencies that they already possessed or have gained through formal, informal and non-formal interventions. The aims of FRL are as follows:

1. To accredit individuals on the basis of competencies specified in the FQS;
2. To enable individuals to plan their learning pathways through the realisation of their current learning achievements, leading to the identification of their future personal and professional learning needs;
3. To enable employers to have a better understanding of the competencies of their employees in order to plan relevant training and learning programmes for a productive and capable workforce. FRL would also lead to time and money savings by avoiding duplication of learning; and
4. To equate current knowledge and skills to a formal qualification in a variety of ways:
 - i. Entry into a programme;
 - ii. Credit transfer; and
 - iii. Exemption.

The FRL Guidelines consist of the following: Definition and Context of FRL; Objectives of FRL; Benefits of FRL; Stages in a FRL Process; Types of Assessment Methods; Types of Evidence; Conduct of a FRL Assessment; Outcomes of FRL Assessment; Maintaining Records and Portfolios; FRL Templates and Forms; and Fees.

The FQS, through FRL, provides the implication that any FSI employee who has no formal qualification or possesses a lower level of formal qualification can be recognised as having a higher level of formal and academic qualification through work experience and professional certifications obtained, CPD/CPE activities and RPL mechanisms. Such a mechanism, when developed, needs to be recognised by different accrediting bodies across different jurisdictions. As this is

not a straightforward process, the International Steering Committee recommended that mapping with academic qualification frameworks will only be done in the later stage. The FRL initiatives, however, have already being developed. The International Steering Committee is described in the next sub-section.

Stakeholder Engagement

In the ILO study (2013) an international benchmarking exercise was undertaken on the links between recognition practices and NQFs with the study making a strong connection between the essential role played by stakeholders. For the private sector, it is employers and employer association which can play a vital role in lifelong learning policy and practice. In developing the FQS, the FAA has engaged in high levels of stakeholder engagement to ensure the industry and other key stakeholders have been consulted and involved. To this end, an International Steering Committee has been established and met for the first time on 29 November 2013, followed by a more recent meeting in 16 May 2014. Other national and international bodies that have been actively engaged with the FAA in the development of the FQS are listed below in Table 2.

Table 2: Professional bodies involved in the development of the FQS

Professional Bodies	Coverage
Association of Chartered Islamic Finance Professionals (ACIFP)	International
Financial Planning Association of Malaysia (FPAM)	National
Life Insurance Association of Malaysia (LIAM)	National
Malaysia Venture Capital & Private Equity Association (MVCA)	National
Malaysian Institute of Accountants (MIA)	National
Malaysian Institute of Corporate Governance (MICG)	National
Malaysian Insurance and Takaful Brokers Association (MITBA)	National
Malaysian Takaful Association (MTA)	National
Persatuan Insurans Am Malaysia (PIAM)	National

The Malaysian Institute of Certified Public Accountants (MICPA)	National
FSI Training Providers	
Institute of Bankers Malaysia (IBBM)	National
Islamic Banking and Finance Institute Malaysia (IBFIM)	National
Malaysian Insurance institute (MII)	National
Securities Industry Development Corporation (SIDC)	National

Specifically, the International Steering Committee functions to review and provide advice on the FQS. It is a one-time appointment where the members are expected to meet twice, once after the FQS is drafted and followed by another meeting after refinements are made, based on the feedback received. The Steering Committee consists of representatives from local and international qualification agencies, prominent industry experts and representatives, as well as, academics. The Committee members are identified by FAA through their involvements in developing NQFs, training providers and professional bodies in the FSI in order to obtain views that are representative of the FSI. An RPL expert is also identified as a member of the Committee in light of the FRL component in the FQS. The list, together with the FQS progress updates, were presented and endorsed by the FAA Board on 29 April 2013.

International representation on the committee is as follows:

- Scottish Qualifications Authority (SQA)
- Quality Assurance Authority for Education & Training, Bahrain
- Prior Learning International Research Centre (PLIRC)
- Hong Kong Council for Accreditation of Academic & Vocational Qualifications (HKCAAVQ)
- UK NARIC
- Asian Institute of Finance (AIF)

Representations from national bodies on the Committee are:

- Malaysian Qualifications Agency (MQA)
- Malaysian Insurance Institute (MII)
- Institute of Bankers Malaysia (IBBM)

- Islamic Banking and Finance Institute Malaysia (IBFIM)
- Association of Chartered Islamic Finance Professionals (ACIFP)
- Securities Industry Development Corporation (SIDC)

In general, the Committee welcomes the development of FQS, with many members describing such a move as timely, concurring with the issues faced by the FSI, as described earlier in relation to ensuring quality talent development in the sector. In the first meeting on 29 November 2013, four decisions were taken which include: (1) maintaining the FQS levels at six; (2) deferment of mapping FQS to academic frameworks until and when FQS is fully functional; (3) refine the definitions of QDs for consistency purpose; and (4) consult the stakeholders on the refinements made. For the purposes of item (3) and (4), the definitions of QDs were refined and three Focus Group discussions were held with the Islamic and Conventional Banking sector, Takaful and Insurance, and professional bodies and institutions of higher learning on the 13th, 19th and 20th of March 2014 respectively. As a result, further refinements were made and presented to the Steering Committee on 16th May 2014. The full FQS report was presented and approved by the FAA Board on 28th June 2014, followed by the FQS launch on 2nd September 2014.

Conclusion

The economic growth in the Asia region and increasing regional economic integration is a strong impetus for the developments currently underway in Malaysia's FSI as described by the FAA's activities. The FAA is attempting to meet the human capital challenges facing this sector in its crucial role in reaching developed nation status in 2020. This requires a strong commitment from the industry, policy makers and adult educators alike. The activities of the FAA also counters the claim made by Keating (2011: 405) that there has been 'limited realization of some of its [MQF] rhetoric, such as that surrounding RPL and credit'. The work being undertaken by the FAA has embedded a strong commitment to RPL and credit arrangements. The level of industry and stakeholder engagement in the development of the FQS and the importance of the FAA Recognition of Learning (FRL) have been outstanding features of FAA's activities and have been identified as key

enablers by the ILO for fostering effective lifelong policy and practice (Singh and Duvekot 2013).

The paper also highlights future developments which are being planned both in terms of roll out of the FQS in different regions, as well as, its mapping to academic frameworks, beginning with the MQF. In rolling out the FQS, its acceptability remains a challenge. It is only through realisation of the value propositions of the FQS, particularly its lifelong education characteristics and RPL, as well as adoption of the FLS that guarantee such acceptance. A total of 80 FLS for Islamic Finance has already been developed and launched on 2nd September 2014 in line with international best practices. It is only through standardisation in curriculum offerings that enable professional qualifications to be mapped against each other. A number of strategies have already been implemented to achieve buy-ins, such as through speaking engagements and collaborations with regulators, standard setting bodies, financial institutions and professional bodies. In Malaysia, efforts are underway for regulators to issue circulars regarding recognition of accredited learning programmes for CPD/CPE and licensing purposes. Another viable strategy is to convince the already accredited programmes and qualifications offered by the registered training providers locally and overseas to subscribe to the FQS. It was decided that only accredited learning programmes will be mapped against the FQS in order to encourage submissions for FPA.

The second development relates to the mapping to academic frameworks. Although it was decided by the Steering Committee that FAA should defer mapping FQS to academic frameworks, a seamless interaction between the two is necessary in view of its industry relevant nature and one which advocates lifelong education as reflected in the QOs, as well as, the RPL mechanism. This is an objective set for 2015 where the FQS will be mapped against the MQF, which subsequently provides wider recognition to the FQS in the ASEAN region to achieve the purposes outlined earlier in the paper. Discussions with MQA have already begun with the representation of MQA in the Steering Committee. However, more rigorous work is expected to take place in 2015. Before the exercise begins, there are a number of issues need to be considered, amongst the key ones include the role of MQA as a de-facto accreditation body for Malaysia as provided by the MQA Act 2007

and the weight of academic and professional qualifications in Islamic Finance. Having said so, industry relevance and lifelong education are some of the viable justifications for having FQS in place. Further, there is no plan for the MQF to be reviewed in the near future to incorporate professional-based qualifications, giving the FQS an edge along with differentiating it from the MQF. Both the Central Bank of Malaysia and Securities Commission Malaysia are providing strong support to FAA and together with the value propositions of FQS, it is hoped that FQS is accepted across the different fraternities. As a matter of fact, the FAA has started to explore the possibility of establishing a Joint Technical Committee (JTC) with MQA to jointly accredit academic programmes in Finance under Section 15 of MQA Act 2007 (Malaysian Qualifications Agency Act, 2007). There are also moves to go beyond the national boundaries by presenting a concept paper on FQS at the recent Asia Pacific Quality Network (APQN), as well as, leveraging on its membership in the International Quality Assurance Agencies in Higher Education (INQAAHE) to seek views and obtain buy-in not only for FQS but also for FAA to function as a subject specific accreditation body in the discipline of Finance.

In short, the FAA was established to support the concerted efforts of quality talent development in the FSI through quality assuring and accrediting institutions, learning programmes and/or qualifications and the competencies of individuals based on comprehensive quality assurance and accreditation mechanisms. Its role is further escalated by the development of FQS, which will position Malaysia in the region and across Islamic Finance services internationally. There are many challenges including different characteristics in different jurisdictions however, it is FAA's ultimate goal to see there is only one global learning standard for the FSI which is recognised by both the professional and academic frameworks.

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