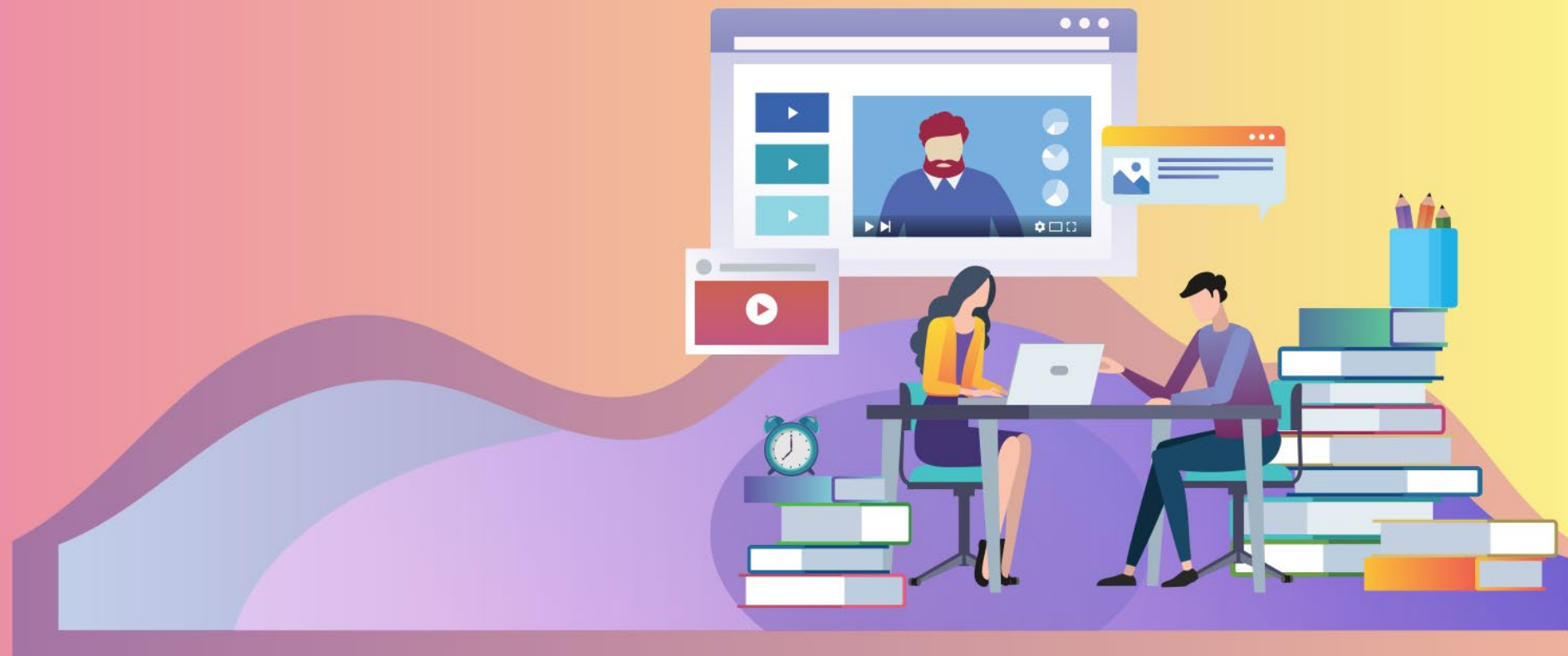


CPD Requirements



What is Continuing Professional Development (CPD)?

Statutory Requirement

One of the statutory requirements for CPA membership renewal

Objectives

- Develop and maintain members' **professional competence**
- Strengthen **public confidence** and **trust** in the profession

CPD includes learning and development activities that are relevant to the roles of members:

- (a) education
- (b) training
- (c) practical experience
- (d) mentoring and coaching
- (e) networking
- (f) observation, feedback, and reflective activities
- (g) self-development activities

Number of CPD hours required (1 of 4)

Statement 1.500 Continuing Professional Development

- At least **120** hours of **relevant** activities in each **rolling 3-year period**, of which **60** hours shall be **verifiable**
- At least **20** hours **per year**
- **Specialist Designation (SD) holders:**
 - 5 verifiable CPD hours annually – in the subject of the Specialist Designation
- **Responsible Persons of registered Public Interest Entity (PIE) auditors:**
 - 5 verifiable CPD hours annually – related to PIE engagements

<https://www.hkicpa.org.hk/en/Professional-development/Continuing-professional-development/Continuing-professional-development-programmes/CPD-highlights-for-PIE-auditors>

- **Documentary evidence** for verifiable CPD activities

Verifiable vs Non-verifiable

■ Verifiable CPD activities

- Supported by verifiable evidence
 - documentary evidence
 - objectively verifiable
 - demonstrate that the specified number of hours of CPD activity has been undertaken
- Maintain records and documentary evidence for a minimum of 5 years

■ Non-verifiable CPD activities

- Documentary evidence is not required
- Maintain records for a minimum of 5 years



Examples of verifiable evidence (1 of 2)

- ✓ Course outlines, teaching materials, storyboards (for virtual training)
- ✓ Confirmation that a learning and development activity has been completed (including number of hours) by a provider, instructor, employer, mentor, or tutor
- ✓ Transcript, examination result slips
- ✓ Independent assessments that a learning activity has occurred

Examples of verifiable evidence (2 of 2)

- ✓ Confirmation by organizers of participation in activities where learning outcomes have been achieved
- ✓ Confirmation by organizers of seminar/talks in which one was engaged as a speaker
- ✓ Meeting agenda objectives and meeting minutes that verify the relevance of the content
- ✓ Publication of a professional article or of the results of a research project

Verifiable CPD activities with capped CPD hours

Verifiable CPD activities	Max. CPD hours claimed
Participation in non-technical committees*	4 hours per year
QP Facilitator	Introductory/Professional Module: 8 contact hours and actual preparation time Capstone: 24 contact hours and actual preparation time
Approved mentor under HKICPA's Mentorship Programme	3 hours for attending mentorship related briefings organized by HKICPA

* Non-technical committees are committees other than those that deal with issues of accountancy or accountancy related knowledge and skills, technical competencies and professional values, ethics and attitudes

Non-verifiable CPD activities with capped CPD hours

Non-verifiable CPD activities	Max. CPD hours claimed
Reading financial newspapers	5 hours per year
"Networking" and "Observation, feedback and reflection"	5 hours per year
Approved mentor under HKICPA's Mentorship Programme	5 hours for each approved mentorship. Max. 10 hours if a mentor has been assigned 2 or more mentees during any one year

Please refer to the Institute's [website](#) for the most updated list of CPD activities with capped hours

What are relevant CPD activities?

Closely Aligned with Responsibilities

- CPD activities are relevant where they are **closely aligned** with the responsibilities of a member's role as a **professional accountant**

Develops and Maintains Competence

- CPD activities should help **develop and maintain** the **professional competence** necessary to perform that role



Was the CPD activity relevant?

Examples:

Relevant CPD activity:

- ✓ develops your **professional knowledge**
- ✓ develops your **professional skills**
- ✓ develops your **professional values**
- ✓ is relevant to your **current or future work** and professional responsibilities
- ✓ enhances your understanding of the **economic trends** and the **business environment** you are working in



CPD Exemption

When is a member eligible for CPD exemption?

- Not carrying out any accountancy or accountancy related work, whether paid or unpaid, and does not plan to do so for a significant period of time;
- Not a Practising Certificate holder;
- Not a Specialist Designation holder;
- Not a responsible Person of registered Public Interest Entity auditor; and
- Not a director of any companies.

Accountancy or accountancy related work

Members who perform any one of the below types of accountancy or accountancy related work (whether paid or unpaid) would not be granted CPD exemption.

(Note: List is not exhaustive.)

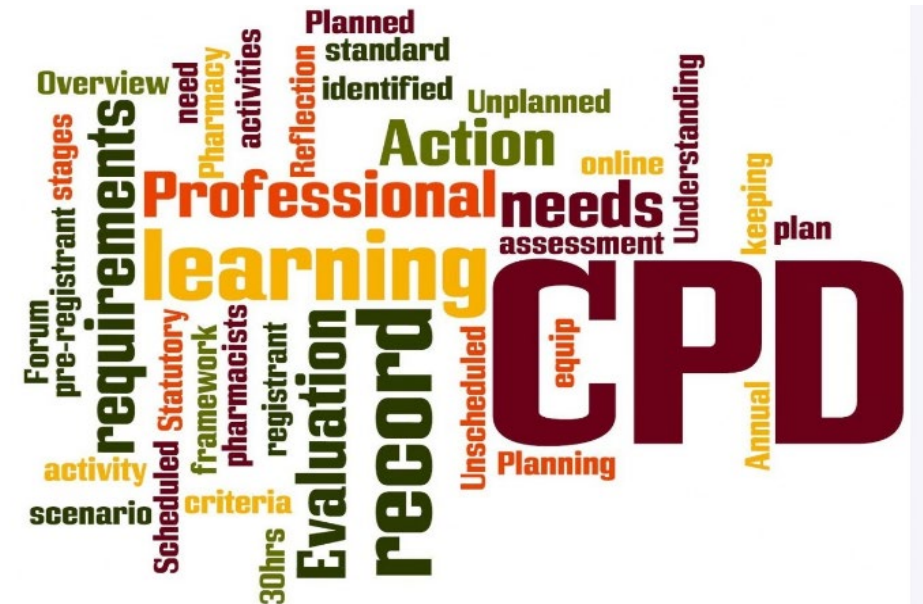
Financial accounting	Personal insolvency
External financial reporting	Corporate taxation
Auditing or assurance	Personal taxation
Internal auditing	Business rescue or restructuring
Financial management	Risk management
Management accounting	Corporate finance
Management financial reporting	Governance
Information management	Corporate investment
Corporate insolvency	Investment advice
Forensic accounting	Business valuation

CPD Compliance Audit



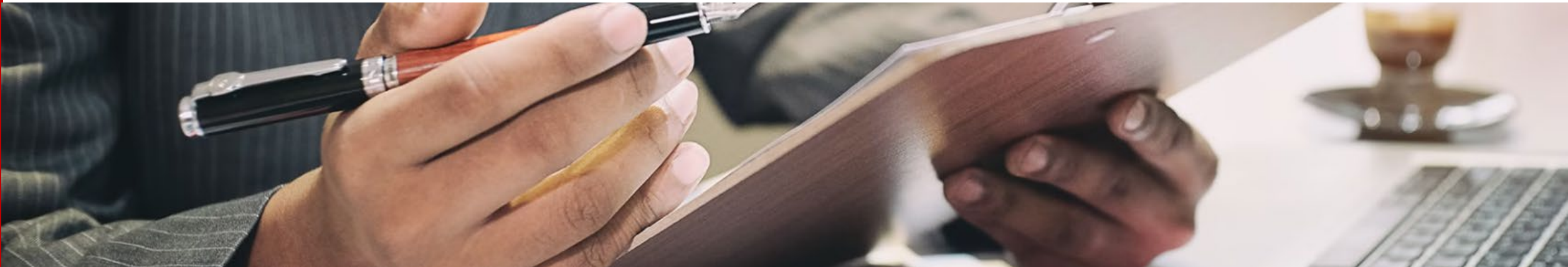
CPD Compliance Audit Process (1 of 2)

- The Institute conducts CPD Compliance Audit **every year**
- Sample selection is made via a **risk-based process**
- Higher chance of being selected for:
 - members with a history of **non-compliance**



CPD Compliance Audit Process (2 of 2)

- Members selected for audit are required to complete and return [CPD Record Form](#), which entails:
 - **supporting documents** for all verifiable CPD activities
 - explanation of the **relevancy** of all CPD activities



Common issues found in CPD Compliance Audit (1 of 2)

- **Claiming work activities as CPD hours**
 - e.g. daily job duties, which involve applying their existing professional knowledge as opposed to developing and maintaining professional competency
- **Claiming CPD hours from activities that are not relevant to member's current or future career development**
 - e.g. sports activities, health and safety courses
- **Overstatement of CPD activities with capped hours**
 - e.g. number of CPD hours allowed for newspapers reading is capped at 5 hours per year.



Common issues found in CPD Compliance Audit (2 of 2)

- **Insufficient evidence which could not adequately demonstrate CPD activities had been undertaken**
 - registration email/ payment receipts
 - in-house training record without company chop/ letterhead
 - missing name, hours or details of CPD activity in the supporting document



Outcomes of CPD compliance audit

- **Pass**
- **Shortfall of CPD activities**
 - members will be required to make up the shortfall
 - members will have a higher chance of being selected for next audit
- **Repeated non-compliance**
 - members may not be allowed to renew membership in the next renewal or be removed from the register
- **Non-response to/ non-completion of CPD compliance audit**
 - members will not be allowed to renew membership in the next renewal

Useful Resources



Useful Resources

- 💡 [Statement 1.500 Continuing Professional Development](#)
- 💡 [Quick Guide to Continuing Professional Development](#)
- 💡 [Specimen CPD Record Form](#)
- 💡 [Frequently asked questions](#)
- 💡 Illustration on “[How to Achieve CPD Hours](#)”
- 💡 A-plus article in January 2023 “[Refresher on CPD requirements](#)”
- 💡 A-plus article in July 2023 “[Get prepared for CPD compliance audit](#)”
- 💡 [Continuing professional development programmes](#)



Got a Question?

Contact us via email at: cpdcompliance@hki CPA.org.hk.