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Mandatory Compliance

- Section 28 (2)(c) of the Professional Accountants Ordinance
- Statement 1.500 (July 2014)
- Membership renewal is subject to CPD compliance
Why CPD?

• The *maintenance of professional competence* requires a lifelong learning approach – a continuing awareness and understanding of relevant technical, professional and business development
Why CPD?

- CPD develops and maintains the capabilities that enable a professional accountant to *perform competently* within the professional environment.
CPD Requirements

• Minimum of 20 CPD hours each year (either verifiable or non-verifiable)

• Complete at least 120 hours in each rolling three-year period

• of which at least 60 hours are verifiable
CPD Requirements for Specialist Designation (SD)

• HKICPA's Insolvency SD holders are required to complete at least 5 verifiable CPD hours per year related to insolvency, as part of the total requirement for 60 hours in the rolling 3-year period
Principles to calculate CPD

- Actual hour basis
- Repeated activity can only be counted once
- Normal work activities are excluded
Acceptable CPD Activities

• Activities that are expected
  - To develop the professional knowledge, skills, values, ethics and attitudes of members
  - appropriate to their work and professional responsibilities

• HKICPA relies on members’ professional judgment to decide CPD activities
Training by other service providers

- It is up to members to decide what learning activities are relevant and appropriate to their work and professional responsibilities.
- Relevant activities provided by other providers can also be counted for CPD hours; no need to be endorsed or accredited by HKICPA in advance.
- Remember to record, track and measure learning activities.
30 November 2018 marks the end of current CPD year

2019 membership renewal:
Members joined the Institute before 1 Dec 2015 need to complete:

- 120 CPD hours, of which minimum 60 hours are verifiable
3-Year Rolling Cycle

Members joined HKICPA on/before 30 Nov 2015

• 2018 CPD declaration: 1 Dec 15 – 30 Nov 18
• 2019 CPD declaration: 1 Dec 16 – 30 Nov 19
• 2020 CPD declaration: 1 Dec 17 – 30 Nov 20
• ……….. etc

Require total 120 hours CPD in each 3-year rolling cycle
First 3-Year Rolling Cycle

For members who joined between 1 Dec 2015 – 30 Nov 2016:

- minimum 20 CPD hours per year, verifiable or non-verifiable, for 2018 CPD declaration
- \(1^{\text{st}}\) rolling cycle starts on 1 Dec 2016 and ends 30 Nov 2019
3-Year Rolling Cycle

Members joined HKICPA between 1 Dec 2015 – 30 Nov 2016

- 2018 CPD declaration: date joined – 30 Nov 18 = min. 20 CPD/yr
- 2019 CPD declaration: 1 Dec 16 – 30 Nov 19 = 1st cycle
- 2020 CPD declaration: 1 Dec 17 – 30 Nov 20 = 2nd cycle
- ............ etc

Require total 120 hours CPD in each 3-year rolling cycle
3-Year Rolling Cycle

Members joined HKICPA between 1 Dec 2016 – 30 Nov 2017

• 2018 CPD declaration: date joined – 30 Nov 18 = min. 20 CPD/yr
• 2019 CPD declaration: date joined – 30 Nov 19 = min. 20 CPD/yr
• 2020 CPD declaration: 1 Dec 17 – 30 Nov 20 = 1st cycle
• .......... etc

Require total 120 hours CPD in each 3-year rolling cycle
Verifiable and Non-verifiable CPD Activities

• **Verifiable activities:**
  Objectively verifiable by a competent source

  **Examples:**
  • training courses (including e-learning) – completion certificate, written confirmation by organizer/employer/trainer
  • seminars or conferences - attendance records;
  • on-the-job training – written reports by instructor/mentor/trainer
  • academic study - certificate of achievements; examination result
Verifiable and Non-verifiable CPD Activities

- **Non-verifiable activities:**

  Activities that have no evidence to substantiate the CPD hours claimed

  **Examples:**
  - reading newspapers (max. 5 hours per year);
  - technical journals (e.g. A-PLUS);
  - networking, observation, feedback and reflection (total max. 5 hours per year)
No Territorial Boundary for Meeting CPD Requirements

Examples of CPD activities, anytime, anywhere:

• E-learning (e.g. e-Seminars), webinar from HKICPA (verifiable)

• Study MBA (or other award bearing) course overseas or local (verifiable)

• Online resources, e.g. free courseware without online certificate on completion (non-verifiable)

• Financial and business news on TV / newspapers / Internet etc.

• Relevant documentaries or educational programmes on TV, Now HK and university websites
Examples of Verifiable CPD Activities

CPD programmes organized by HKICPA

• Evening Seminars and forums
• Technical workshops and management skills workshops
• Annual Update Conferences
• Technical Update Evenings (TUE)
• Interest group forums / study trips / site visits
• e-Seminars, e-Manager and e-Finance courses

Sources:
Examples of Verifiable CPD Activities (Cont’d)

Other free of charge CPD activities

• Participation as QP facilitator of HKICPA
• Participation as HKICPA's Authorized Supervisor, External Authorized Supervisor or Counselor of an Authorized Employer
• Participation as a speaker or chairman in seminars, conferences, briefing sessions or discussion groups
• Participation and work on Institute's committees
• Free online learning resources from major firms with online certificate (e.g. Deloitte IAS Plus, Dbriefs Legal, webcasts by EY / KPMG)
Other free of charge CPD activities

• Self-learning modules or organized on-the-job training for new software, systems, procedures or techniques for application in professional role

• Published professional or academic writing, technical articles, papers or books

• Reading journals and professional literature for application in a professional role, such as publication of research project or training course material updating
CPD Exemptions

• **Statement 1.500** Revised in July 2014

• The Institute may grant exemption from CPD if member:
  (i) is not carrying out any accountancy or accountancy related work, whether paid or unpaid; and
  (ii) does not plan to do so for a significant period of time (at least 2 years; and
  (iii) is not a director of any companies

• No exemption for PC holders or Insolvency SD holders
CPD Exemptions

- Members already granted exemption from CPD compliance continue to be exempt if they meet the current exemption criteria.

- More information about CPD exemption guidelines in Appendix of Statement 1.500 (July 2014) Guidance on Exemptions
Annual CPD Declaration

- File your CPD Declaration during Membership Renewal by 15 December
- Update “MyCPA” ≠ CPD Declaration
- You have to **Submit** your CPD Declaration through Annual Return of membership renewal 2019 **ONLINE** (hardcopy provided on request)
Annual CPD Audit

- Randomly picked in Apr/May every year
- Members selected for audit will usually not be picked again in the next 2 years
- What do you need to do?
  - Need to reply within one month
  - Submit CPD Record Form and a detailed record of the CPD activities
Annual CPD Audit

• Pursuant to Statement 1.500 of Member's Handbook, members are required to maintain records and documentary evidence of their verifiable CPD hours for a **minimum of five years**

• You will be asked to produce such documentations if you are selected for the CPD audit
Recognition of GAA Institutes’ CPD Requirements

- HKICPA member, except PC or SD holders, who is also a holder of an active license issued by a State Board of Accountancy of USA or a member of a GAA institute may fulfill the CPD compliance requirements of that State Board or GAA institute.

- Must still make an annual CPD declaration to HKICPA.

- Exemptions of State Board or other GAA bodies from CPD compliance are not recognized by the Institute.
Block Declaration

• No CPD block declaration arrangement since 2016 renewal

• All members are required to complete and submit the CPD declaration in the Annual Return individually online

• Members are requested to update membership data such as employment and interests in the Annual Return for renewal
Any Questions?

Enquiry for CPD Compliance matters:

Hotline: 2287 7454
email: admission@hkicpa.org.hk