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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



3-Year Rolling Cycle

30 November 2019 marks the end of current CPD year

2020 membership renewal:

Members joined the Institute **before 1 Dec 2016 need to complete:**

➤ 120 CPD hours, of which minimum 60 hours are verifiable



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3-Year Rolling Cycle

Members joined HKICPA **on/before 30 Nov 2016**

- 2019 CPD declaration: 1 Dec 16 – 30 Nov 19
- 2020 CPD declaration: 1 Dec 17 – 30 Nov 20
- 2021 CPD declaration: 1 Dec 18 – 30 Nov 21
- etc

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



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First 3-Year Rolling Cycle

For members who joined between 1 Dec 2016 – 30 Nov 2019:

- minimum 20 CPD hours per year, verifiable or non-verifiable, for 2019 CPD declaration
- 1st rolling cycle starts on the subsequent 1 December of the joining year



3-Year Rolling Cycle

Example 1

Members joined HKICPA between 1 Dec 2016 – 30 Nov 2017

- 2019 CPD declaration: date joined –30 Nov 19 = min. 20 CPD/yr
- 2020 CPD declaration: 1 Dec 17 – 30 Nov 20 = 1st cycle
- 2021 CPD declaration: 1 Dec 18 – 30 Nov 21 = 2nd cycle
- etc

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

3-Year Rolling Cycle

Example 2

Members joined HKICPA between 1 Dec 2017 – 30 Nov 2018

- **2019 CPD declaration: date joined – 30 Nov 19 = min. 20 CPD/yr**
- **2020 CPD declaration: date joined – 30 Nov 20 = min. 20 CPD/yr**
- **2021 CPD declaration: 1 Dec 18 – 30 Nov 21 = 1st cycle**
- **..... etc**

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

3-Year Rolling Cycle

Example 3

Members joined HKICPA between **1 Dec 2018 – 30 Nov 2019**

- **2019 CPD declaration: date joined – 30 Nov 19 = pro-rata of 20 CPD hours**
- **2020 CPD declaration: date joined – 30 Nov 20 = min. 20 CPD/yr**
- **2021 CPD declaration: date joined – 30 Nov 21 = min. 20 CPD/yr**
- **2022 CPD declaration : 1 Dec 19 – 30 Nov 22 = 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**



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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:

<https://www.hkicpa.org.hk/en/Professional-development/Continuing-professional-development/Continuing-professional-development-programmes>



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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)



Examples of Verifiable CPD Activities (Cont'd)

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” \neq CPD Declaration
- You have to **Submit** your CPD Declaration through Annual Return of membership renewal 2020 **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



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