

MEMBERS' HANDBOOK

Update No. 100

(Issued 15 December 2010)

Changes to Statement 1.500

1. Statement 1.500 *Continuing Professional Development* is revised for the purpose of including the CPD requirements for the Specialist Designation in Insolvency ("SD (Insolvency)") and for future SDs in other specialist subjects. In order to ensure the continued competence of SD holders, they are required to comply with specific CPD requirements in order to be able to renew their SD each year. The revisions, namely to paragraphs 31, 35 and 37 reflect the following CPD requirements for SDs:
 - (i) At least 5 verifiable CPD hours per year in the subject of the Specialist Designation, as part of the total requirement for 60 verifiable hours in each rolling three-year period (paragraph 31).
 - (ii) The CPD requirements for SD holders cannot be satisfied by satisfying the CPD requirements of another GAA institute as regards any CPD requirements of the Institute relating to the Specialist Designation. The minimum verifiable CPD hours relating to the SD need to be satisfied in accordance with HKICPA's requirements (paragraph 35).
 - (iii) Generally, no exemption will be granted to SD holders. This is consistent with the treatment of PC holders (paragraph 37).

The revised Statement 1.500 is effective upon issuance. Further information about the CPD requirements will be given in our FAQs about CPD requirements for SD (Insolvency) holders at: <http://www.hkicpa.org.hk/en/service-tools/faq/faq-sdi/cpd-requirement/>

Document Reference and Title	Instructions	Explanations
<u>VOLUME I</u>		
Contents of Volume I	Discard the existing pages i and ii and replace with the new pages i and ii.	Revised contents pages
<u>CONTINUING PROFESSIONAL DEVELOPMENT</u>		
<u>Statement 1.500 Continuing Professional Development</u>	Discard the existing Statement and replace with revised Statement.	Note 1



MEMBERS' HANDBOOK CONTENTS OF VOLUME I

(Updated to December 2010)

	<i>Issue/Review date</i>
1.1 PROFESSIONAL ACCOUNTANTS ORDINANCE, BY-LAWS, RULES, GUIDELINES	
CAP.50 Professional Accountants Ordinance	10/07
CAP.50A Professional Accountants By-laws	6/07
1.101 Disciplinary Committee Proceedings Rules	10/06
1.101A Guidelines for the Chairman and the Committee on Administering the Disciplinary Committee Proceedings Rules	3/07
1.102 Corporate Practices (Registration) Rules	9/04
1.102 (sch.) Schedule to the Corporate Practices (Registration) Rules "Corporate Practices (Model Memorandum and Articles of Association)"	9/04
1.103 Corporate Practices (Professional Indemnity) Rules	9/04
1.2 PROFESSIONAL ETHICS	
COE (Revised) Code of Ethics for Professional Accountants	6/10
COE Code of Ethics for Professional Accountants	6/10
S290 (Revised) Independence – Assurance Engagements	6/10
1.3 GENERAL GUIDANCE	
1.300 Explanatory Foreword	9/04
1.301 Books and Papers - Ownership, Disclosure and Lien	9/04
1.302 Formation of Companies by Accountants	4/85
1.303 Restrictions on Appointments as Secretaries and Directors of Audit Clients	9/04
1.304 Arrangements to Cover the Incapacity or Death of a Sole Practitioner	9/04
1.305 Direct Professional Access	9/04
1.306 Guidance on Reasonable Steps to be Taken for PII Purposes	8/96
1.307 Production of Audit Working Papers to the Securities and Futures Commission under section 179 of the Securities and Futures Ordinance	9/04
1.4 PRACTICE REVIEW	
1.400 Explanatory Foreword	3/06
1.401 Review Procedures and Conduct of Members	3/06

	<i>Issue/Review date</i>
1.5	CONTINUING PROFESSIONAL DEVELOPMENT
1.500 (Revised)	<u>Continuing Professional Development</u> 12/10
1.6	INSOLVENCY GUIDANCE NOTES
1.600	<u>Insolvency Guidance Note (1) – Scope</u> 9/05
1.601	<u>Insolvency Guidance Note (2) – A Liquidator’s Investigation into the Affairs of an Insolvent Company</u> 9/05
1.602	<u>Insolvency Guidance Note (3) – Preparation of Insolvency Office-holders’ Receipts and Payments Accounts</u> 9/05
1.603	<u>Insolvency Guidance Note (4) – Disqualification of Directors – Statutory Reports</u> 9/05

Statement 1.500
Revised December 2010

Effective for CPD reporting periods
beginning on or after 1 December 2007

Statement 1.500

Continuing Professional Development



Hong Kong Institute of
Certified Public Accountants
香港會計師公會

STATEMENT 1.500
CONTINUING PROFESSIONAL DEVELOPMENT
 (Effective for CPD reporting periods beginning on or after 1 December 2007)

CONTENTS

	Paragraphs
Purpose and Scope	1 - 3
Introduction	4 - 7
Effective Date	8
Access to CPD	9 - 10
CPD and Lifelong Learning.....	11 - 18
Mandatory CPD for All Members	19 - 20
Relevance	21 - 23
Measurement	24 - 27
Verification	28 - 29
CPD Requirements.....	30 - 35
Exemption from Compliance	36 - 39
Maintaining CPD Records.....	40 - 41
Monitoring and Enforcement.....	42 - 48
Guidance on CPD Activities	49
Conformity and Compliance with International Education Standards for Professional Accountants	50
Appendix 1: Guidance on CPD Activities	
Appendix 2: Guidance on Exemptions	

Purpose and Scope

1. This Statement is issued by the Council of the Hong Kong Institute of Certified Public Accountants (Institute) (hereafter referred to the Council) as a direction to prescribe the Continuing Professional Development (CPD) requirements with which members of the Institute must comply for annual membership renewal in accordance with Section 28(2)(c) of the Professional Accountants Ordinance. Such requirements contribute to the profession's objective of providing high-quality services to meet the needs of the public, including clients and employers.
2. It draws on the CPD requirements as prescribed in the International Education Standard for Professional Accountants 7 "Continuing Professional Development: A Programme of Lifelong Learning and Continuing Development of Professional Competence" issued by the International Federation of Accountants.
3. This Statement is based on the principle that it is the responsibility of the individual member to develop and maintain professional competence necessary to provide high-quality services to clients, employers and other stakeholders.

Introduction

4. Since 1973 the accounting profession in Hong Kong has been granted the privilege of self-regulation under the Professional Accountants Ordinance. This privilege carries a corresponding responsibility, namely, that the profession accepts the duty of ensuring the quality of services provided by its members to serve the public interest. It is the Council's view that requiring members to undertake appropriate CPD activities will help to maintain high professional standards and enhance public confidence.
5. A fundamental principle of the Institute's Code of Ethics for Professional Accountants, Section 130.3 states "The maintenance of professional competence requires a continuing awareness and an understanding of relevant technical professional and business developments. Continuing professional development develops and maintains the capabilities that enable a professional accountant to perform competently within the professional environments."
6. The Institute is committed to:
 - (a) fostering a commitment to lifelong learning amongst Certified Public Accountants (CPAs);
 - (b) facilitating access to continuing professional development opportunities and resources for its members;
 - (c) establishing for members benchmarks for developing and maintaining the professional competence necessary to protect the public interest; and
 - (d) monitoring and enforcing the continuing development and maintenance of the professional competence of its members.
7. The profession has a responsibility to ensure that CPAs continue to develop and maintain the competence demanded by their professional roles and the users of their services. As a statutory body regulating the accounting profession, the Institute actively promotes to its members, stakeholders and the public, the benefits of CPD highlighting the importance of continuous improvement of competence and a commitment to lifelong learning.

Effective Date

8. The requirements in this Statement are applicable to members' compliance with the CPD requirements for CPD reporting periods beginning on or after 1 December 2007.

Access to CPD

9. The Institute will facilitate access to CPD opportunities and resources to assist members in meeting their responsibilities for lifelong learning.
10. The Institute will provide relevant CPD programmes for members and facilitate access to programmes offered by others, encompassing all learning methods. However, members are not restricted to the Institute's learning activities to meet their CPD requirements.

CPD and Lifelong Learning

11. The Statement aims to promote the importance of continuous improvement of competence and a commitment to lifelong learning for all members.
12. All members have an obligation to develop and maintain their professional competence, relevant to the nature of their work and professional responsibilities. This obligation applies to all members, irrespective of whether they are involved in traditional accounting fields or other areas.
13. The process of lifelong learning commences early, continuing with the education program to become qualified as a CPA, and on through an individual's career. CPD is an extension of the education process that led to qualification as a CPA. The professional knowledge, professional skills, and professional values, ethics and attitudes gained by the time of qualification continue to develop and are refined appropriately for the professional activities and responsibilities of the individual.
14. This Statement introduces the concepts of CPD as relevant, verifiable and measurable learning activities and outcomes.
15. CPD refers to learning activities that develop and maintain capabilities to enable CPAs to perform competently within their professional environments.
16. The knowledge needed to function effectively as CPAs in public practice, industry, commerce, education and the public sector continues to expand and change at a rapid rate. CPAs face increased knowledge and skill expectations. They and their institutes also face unprecedented scrutiny about the quality of internal control, governance, financial statements and independent audits. These pressures apply to CPAs in both private and public sectors. In addition, the need to be competitive in a worldwide economy has prompted a more intense focus on the role and responsibilities of CPAs in entities of all types. CPAs in all sectors have important contributions to make. Continued development of professional competence and lifelong learning are critical if CPAs are to meet these expectations.
17. On its own, CPD does not provide assurance that all members will provide high quality professional services all the time. Doing so involves more than maintaining professional competence; it involves applying knowledge with professional judgement and an objective attitude. Also, there cannot be assurance that every person who participates in a CPD programme will obtain the full benefits of that programme, because of variances in individual commitment and capacity to learn. Nevertheless, it is certain that members who are not up-to-date on current technical and general knowledge pertinent to their work will not be able to provide professional services competently. Therefore, despite the inherent limitations of any CPD programme, a CPD requirement is important to maintaining public confidence.
18. This Statement addresses how members meet the obligation of ongoing competence. The obligations that members are required to observe in order to maintain and improve their professional competence and to meet public expectations about the quality of their work have been indicated in boldface print. Commentary paragraphs, which appear in plain type-face, serve the function of explaining or elaborating on the paragraphs written in boldface print.

Mandatory CPD for All Members

19. **All members are required to develop and maintain competence relevant and appropriate to their work and professional responsibilities. The responsibility for developing and maintaining competence rests primarily with each member.**
20. CPD is applicable for all members, regardless of sector or size of business in which they operate, because:
 - (a) All members have an ethical obligation of due care to their clients, employers and relevant stakeholders and need to demonstrate their ability to discharge this responsibility in a competent manner.
 - (b) Members in all sectors hold positions of importance involving financial reporting, public accountancy and maintaining the public trust.
 - (c) The public is likely to rely on the designation or professional standing of the CPAs. Moreover, all members carry the professional designation, and any lack of competence or ethical behaviour has the same consequences to the reputation and standing of the profession, irrespective of the sectors or roles in which a member operates.
 - (d) All sectors are affected by the rapidly changing environment and the consequential need to adapt the strategic or business plans of those organizations relying on members' professional competence.
 - (e) Employers hiring CPAs in any sector rely, at least to some extent, on the professional designation as proof of professional competence.

Relevance

21. CPD contributes to the competence of members and therefore acceptable CPD activities are expected to develop the professional knowledge, professional skills and professional values, ethics and attitudes of members, relevant to their current and future work and professional responsibilities.
22. The Institute relies on the professional judgement of individual members to make decisions on the relevance of CPD activities. However, the Institute may prescribe specific or additional CPD for members working in specialist areas or areas of high risk to the public.
23. Members are encouraged to consult with their employers, colleagues, the Institute and others to help them identify competency or learning gaps and then specify learning opportunities to meet these needs.

Measurement

24. Members are required to measure learning activities or outcomes to meet the Institute's CPD requirements.
25. Learning activity can be measured in terms of effort or time spent, or through a valid assessment method which measures competence achieved or developed.
26. The Council recognises that the effectiveness of CPD is best measured in terms of what has been learned and members are encouraged to evaluate CPD activities in terms of relevance to their work and the economic and environmental trends likely to have an impact on the work environment of the accountancy profession. The Council has no intention to discourage the efforts of members to establish other measurement criteria regarding the adequacy of their CPD activities, but for the time being, considers CPD hours to be the measurement criterion, as it is most widely used and accepted.

27. Accordingly, for the purpose of this Statement, the learning activities shall be measured in terms of time spent on an hourly basis.

Verification

28. A certain portion of the learning activities members engage in are verifiable. This means that the learning is able to be objectively verified by a competent source. Some learning activities may be measured but not verified.
29. Members are responsible for retaining appropriate records and documents related to their CPD and, upon request by the Institute, provide sufficient evidence to demonstrate their compliance with its requirements.

CPD Requirements

30. **All members, except those exempt from complying with the CPD requirements, are required to:**
- (a) complete at least 120 hours of relevant CPD activities in each rolling three-year period, of which 60 hours should be verifiable;**
 - (b) complete at least 20 hours (of the 120 hours required in (a) above) in each year; and**
 - (c) track and measure learning activities to meet the above requirements.**
31. Members who are holders of a Specialist Designation awarded by the Institute are required to complete at least 5 verifiable CPD hours per year in the subject of the Specialist Designation, as part of the total requirement for 60 verifiable hours in each rolling three-year period.
32. Learning activities that are measurable but not able to be verified would not be considered to form part of the 60 hours of verifiable CPD in the rolling three-year period.
33. **The reporting period for each year commences from 1 December. The first rolling three-year period runs from 1 December 2005 to 30 November 2008.**
34. Although the start of the rolling three-year period is before the commencement of Statement 1.500 (revised December 2010), it conforms to the dates set by the replaced 1.500 (issued September 2004).
35. Except for a member who holds a Practising Certificate, where a member is a current member of one or more of the following Global Accounting Alliance (GAA) institutes:
- American Institute of Certified Public Accountants;
 - Canadian Institute of Chartered Accountants including its provincial institutes;
 - The Institute of Chartered Accountants in Australia;
 - New Zealand Institute of Chartered Accountants (members of the College of Chartered Accountants);
 - The Institute of Chartered Accountants in England and Wales;
 - The Institute of Chartered Accountants in Ireland;
 - The Institute of Chartered Accountants of Scotland; and
 - The South African Institute of Chartered Accountants;

that member may choose, from those GAA institutes of which he/she is a member, which CPD requirements/regulations to comply with. Such compliance is deemed as compliance with the requirements of paragraph 30(a) and (b) for the year or period concerned. Members who are holders of a Specialist Designation awarded by the Institute are not permitted to choose to comply with the CPD requirements of another GAA institute as

regards any CPD requirements of the Institute relating to the Specialist Designation. The Institute's CPD requirements relating to the Specialist Designation must be complied with.

Exemption from Compliance

36. The Council has the discretion to grant exemptions and/or extension to members for compliance with the CPD requirements. Such extensions and exemptions will only be granted under special circumstances.
37. Generally, in order to serve the public interest, no exemption will be granted to members holding practising certificates or specialist designations or directorship of listed companies.
38. Application for exemption or extension supported by documentary evidence, if appropriate, should be made in writing to the Institute. All applications will be considered on a case by case basis. The exemption will be valid for the ensuing years unless there are changes in circumstances. Appendix 2 provides information about the criteria which the Institute may take into account in considering applications by members for exemption from the Institute's CPD requirements.
39. Exemptions of other GAA bodies from CPD compliance are not recognized by the Institute.

Maintaining CPD Records

40. **All members, except those exempt from complying with the CPD requirements, are required to maintain appropriate records of all CPD activities completed in each rolling three-year period. Members who have to comply with the CPD requirements are required to maintain records and documentary evidence sufficient to support their attendance or completion of CPD activities for a minimum of five years, and produce such records and documentary evidence when they are selected for an audit conducted by the Institute.**
41. Appropriate records of CPD activities include details of the provider of the programme, the learning objectives, course outlines and timetables, agendas of technical committee meetings, instructional materials, case studies, certificates of completion etc. Members may use their discretion in determining the supporting documentation necessary to show that they have participated in a CPD activity. To assist members in maintaining appropriate records, the Institute provides a proforma CPD Record (see Appendix) and an on-line record at "MyCPA". Members may choose to use their own forms for recording, but are advised to ensure that such forms include all the relevant information of the CPD activities undertaken.

Monitoring and Enforcement

42. **All members, except those exempt from complying with the CPD requirements, are required to file a declaration of CPD compliance with the Institute at the time of their annual membership renewal.** Provided the employer or the member practice of a member has maintained records which demonstrate CPD compliance of that member, then a declaration made on behalf of the member by another member of the Institute, appointed for this purpose as an authorised representative of the employer or member practice, and filed with the Institute, will be deemed to fulfil this requirement.
43. The Council has also delegated to the Registrar of the Institute the authority to carry out an annual audit of members' compliance with the CPD requirements.
44. **Members selected for audit by a random sample and/or risk-based process are required to submit to the Institute their CPD records of the relevant reporting CPD year(s) with documentation to support attendance or completion of the CPD activities as stated in their CPD records.**
45. The Registrar or his/her delegate is empowered to make suitable enquiries where members fail to (a) file their annual declarations of CPD compliance with the Institute, (b) comply with the

minimum CPD requirements, or (c) provide the necessary information or documentary evidence within a reasonable period of time for the annual audit.

46. **CPD records of employees of Practice Units may be subject to review and assessment in practice inspection programmes.**
47. HKSQC 1 paragraphs 38 and 77 refer to the need to maintain the capability and competence of CPAs through CPD and for Practice Units to monitor the CPD activities of CPAs to ensure firm policies are effective and applied in practice.
48. **Compliance with the CPD requirements in this Statement is a condition for renewal of registration and/or renewal of a PC by members under Sections 28(2)(c) and 30(8) of the Professional Accountants Ordinance. An application for renewal of registration as a CPA or renewal of Practising Certificate will not be granted if a member fails to meet the CPD requirements prescribed by the Council.**

Guidance on CPD Activities

49. Guidance for members regarding the form of CPD activities is provided in the Appendix to this Statement.

Conformity and Compliance with International Education Standards for Professional Accountants

50. This Statement conforms with the International Education Standard for Professional Accountants 7 "Continuing Professional Development: A Programme of Lifelong Learning and Continuing Development of Professional Competence" issued by the International Federation of Accountants.

APPENDIX 1

Guidance on CPD Activities

This Appendix is for illustrative purposes only and does not form part of the Statement. The purpose of this Appendix is to illustrate the application of the Statement and to assist in clarifying its meaning.

This Appendix provides examples of different types of learning activities and how such learning can be verified under the Institute's approach to CPD.

EXAMPLES OF PLANNING TOOLS

The following tools may assist members to identify learning and development needs, and plan ways of addressing these needs.

Tools, such as competency maps and learning plans, may be useful to the Institute and its members to identify relevant learning needs and opportunities. Competency maps help identify development needs. Learning plans help identify learning opportunities to meet these needs. These tools need to be reviewed periodically and modified as competency needs change.

Competency Map

A competency map can assist CPAs to identify training and development needs before identifying relevant learning activities. Competency maps should constitute key competencies for certain roles or sectors of the profession, at different levels (e.g. basic, intermediate, advanced). The competency map can assist CPAs to assess their current levels of competence and identify targets for development.

Learning Plan

A learning plan assists members to identify training and development needs and ways in which to meet those needs. Members are encouraged to review their current skills and competences (a competency map, described above, can assist with this) against a target. Once these development needs have been identified, the members can then source relevant learning activities to help develop the required skills and competences. More than one learning activity may be required to develop the required skills and competences.

Choosing a CPD Programme

It should be noted that CPD programmes do not need to be approved by the Institute. It is entirely up to the individual member to judge the suitability of a particular programme for himself/herself. For guidance, this judgement can be based on the following factors:

- whether the programme will enhance the professional proficiency of the individual member;
- whether the programme is at the right level and depth for the individual member;
- whether the programme content is relevant to the individual member's work;
- whether the trainers of the CPD programme are technically competent; and
- whether the programme provider has a good track record of delivering quality programmes.

Learning Activities, Measurement Tools and Evidence

The following lists provide examples of different learning activities, how learning could potentially be measured, and the different types of evidence for input-based approach. Any of these could be carried out using electronic means and e-learning opportunities. In considering these examples, members are expected to comply with the intent of paragraphs 28, 29 and 40 of the Statement. The following examples may constitute CPD to the extent the individual member has developed capabilities in the course of undertaking the activity.

Examples of CPD Learning Activities

- Participation in courses, conferences, seminars, e-learning courses
- 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
- Participation and work on committees of professional bodies
- Teaching a course or a CPD session in an area related to professional responsibilities
- Formal study related to professional responsibilities
- Participation as a speaker in conferences, briefing sessions or discussion groups
- Writing technical articles, papers or books
- Research, including reading professional literature or journals, for application in a professional role
- Professional re-examinations or formal testing (including assessment)

One single, repetitive activity, for example, teaching introductory accounting to different audiences, should not constitute a member's total CPD activity.

Examples of Measurement Units

In considering the following measurement units, it should be noted that the Statement measures input-based approach in terms of hours. Any alternative unit of measurement should be equivalent to one hour of classroom time or its substantial equivalent (refer paragraphs 27 and 30 of the Statement).

- Time spent on an activity
- Units allocated to an activity by a CPD provider
- Units prescribed by the Institute

Evidence for Verification

- Course outlines, teaching materials
- Attendance record, or, in the case of the Institute's e-Learning courses, the registration form or confirmation of registration
- Transcript, examination result slips
- Independent assessments of a learning activity
- Confirmation of participation in any relevant training courses by an instructor, mentor or tutor

- Confirmation of attendance of any in-house training by the company
- 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
- Publication of a professional article or of the results of a research project

What the Institute will do to support CPD

To support CPD the Institute will:

- (i) guide members and clarify the form of CPD activities, and what does or does not count towards CPD hours; and
- (ii) provide members with CPD learning activities by way of seminars, workshops, courses and conferences, sometimes in association with other professional bodies or academic institutions. The programmes will be along the following lines:
 - annual updates on technical subjects;
 - topics of relevance/interest to Practising Certificate (PC) holders;
 - topics of relevance/interest to members not holding a PC;
 - topics on specialised industries; and
 - topics on general management, technology or personal development.

Proforma CPD Record

This form is available on the Institute's website at
http://www.hkicpa.org.hk/membership/cpd/mandatory/doc/CPD_Records_Form.doc.

APPENDIX 2

Guidance on Exemptions

This Appendix is for illustrative purposes only and does not form part of the Statement. The purpose of this Appendix is to illustrate the application of the Statement and to assist in clarifying its meaning.

This Appendix provides information about the criteria taken into account by the Institute in considering applications by members for exemption from the Institute's CPD requirements (paragraphs 36 – 39 of the Statement).

Members seeking exemption in respect of a reporting period ended on a 30 November are asked to apply to the Institute by the 15th of December immediately following that 30 November.

The Institute may grant exemption from CPD to a member who, at the time of application, is 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.

For these purposes, accountancy or accountancy related work includes:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Financial accounting • External financial reporting • Auditing or assurance • Internal auditing • Financial management • Management accounting • Management financial reporting • Information management • Corporate insolvency | <ul style="list-style-type: none"> • Personal insolvency • Corporate taxation • Personal taxation • Business rescue or restructuring • Risk management • Corporate finance • Governance • Corporate investment • Investment advice |
|---|---|

The above list is not exhaustive. There may be other work which is of an accountancy nature.

The following should be noted:

- (i) The exemption granted will be valid for the ensuing years unless and until the member resumes accountancy or accountancy related work or there is a change in the circumstances that gave rise to the exemption. It is the member's responsibility to notify the Institute in those instances.
- (ii) Members of the Institute are required to comply with the five fundamental principles of the Code of Ethics (paragraph 100.5). One of these five principles relates to professional competence and due care, stating that members are required:

"To maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional services based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards."

In keeping with the Code of Ethics, where a member resumes accountancy or accountancy related duties after a significant period of not working or of CPD exemption, Council may require him or her to undertake, within a period of time, additional relevant CPD over and above that required in Statement 1.500 in order to refresh and update his or her knowledge.

Illustrations of exemptions

The following are illustrations of circumstances in which exemption may be granted subject to meeting the criteria in these guidelines:

1. Where a member has fully retired such that he or she no longer carries out any accountancy or accountancy related duties.
2. Where a member takes a complete break from work to look after family.
3. Where a member takes a complete break from work due to illness of that member.

In each of the above circumstances, if and when the member resumes accountancy or accountancy related work, then he or she will need to resume CPD and may be required by the Institute to undertake additional CPD (over and above that required in Statement 1.500) if the period of time away from accountancy or accountancy related work was significant.

The following are illustrations of circumstances in which exemption is unlikely to be granted:

1. Where a member is temporarily out of work. It is assumed that the member is actively seeking new work and therefore plans to resume accountancy or accountancy related work.
2. Where the period of time for which a member plans not to carry out any accountancy or accountancy related work is less than two years. A period of less than two years would normally be regarded as not significant in the context of the three-year rolling periods for undertaking CPD.