

**CHAPTER 4****CONTINUOUS PROFESSIONAL DEVELOPMENT****Application of Chapter**

31. (1) Subject to subsection (2) the fit and proper requirements relating to CPD contained in this Chapter apply to all FSPs, key individuals and representatives.
- (2) The fit and proper requirements relating to CPD contained in this Chapter do not apply to -
- (a) a Category I FSP, its key individuals and representatives that are authorised, approved or appointed only to render financial services or manage or oversee financial services in respect of the financial products: Long-term Insurance subcategory A and/or Friendly Society Benefits; and
  - (b) a representative of a Category I FSP that is appointed to only-
    - (i) render a financial service in respect of a Tier 2 financial product; and/or
    - (ii) render an intermediary service in respect of a Tier 1 financial product.

**General requirements**

32. (1) An FSP, key individual and representative must -
- (a) maintain the required competence to render or manage or oversee the financial services for which the FSP, key individual and representative are authorised, approved or appointed;
  - (b) comply with the minimum CPD requirements set out in this Chapter;
  - (c) ensure that the type and combination of CPD activities undertaken -
    - (i) are relevant to the functions and role of the FSP, key individual and representative;
    - (ii) contributes to the skill, knowledge, expertise and professional and ethical standards of the FSP, key individual and representative;
    - (iii) addresses any identified needs or gaps in -
      - (aa) the technical knowledge of the FSP, key individual and representative;
      - (bb) the generic knowledge and understanding of the environment in which the financial service is rendered or managed or overseen; and
      - (cc) the knowledge and understanding of applicable laws; and
    - (iv) adequately takes into account changing internal and external conditions relevant to the classes and subclasses of business, the category of financial services and the financial products for which the FSP, key individual or representative is authorised, approved or appointed.
- (2) An FSP must establish and maintain policies and procedures on CPD that include:
- (a) how the FSP, key individual and representative will-
    - (i) maintain knowledge and skills that are appropriate for their activities and responsibilities;
    - (ii) update their knowledge and skills; and
    - (iii) develop new knowledge and skills to assist with their current functions and responsibilities or functions contemplated in the future;
  - (b) training plans for each CPD cycle to ensure that CPD -
    - (i) is relevant and appropriate for the authorisation, approval and appointment of the FSP, key individual and representative;
    - (ii) addresses any identified needs, knowledge and skills gaps; and
    - (iii) continually improves the professional standards and practices of the FSP, its key individuals and representatives.
- (3) An FSP must-
- (a) within 30 days after the expiry of each CPD cycle, record in the competence register the -

- (i) CPD activities of the FSP, its key individuals and representatives; and
- (ii) reduction of CPD hours of a representative as contemplated in section 34;
- (b) calculate the total number of CPD hours completed by each person referred to in (a) as at the end of each CPD cycle;
- (c) obtain and retain relevant supporting evidence of the CPD activities recorded in the competence register;
- (d) record the dates of, reasons for and retain supporting evidence for, any decision of the FSP to reduce CPD requirements in accordance with section 34; and
- (e) retain the evidence referred to in (c) and (d) for a period not less than five years from the end of the CPD cycle concerned.

#### Minimum CPD hours

33. (1) An FSP, key individual and representative authorised, approved or appointed to render or manage or oversee the rendering of financial services in respect of -
- (a) a single subclass of business within a single class of business must complete a minimum of 6 hours of CPD activities per CPD cycle;
  - (b) more than one subclass of business within a single class of business must complete a minimum of 12 hours of CPD activities per CPD cycle; or
  - (c) more than one class of business must complete a minimum of 18 hours of CPD activities per CPD cycle.
- (2) Key individuals and representative must submit evidence of their CPD activities to the FSP within 15 days after expiry of the CPD cycle.
- (3) An FSP, key individual and representative must ensure that the CPD activities are tailored to meet the specific knowledge and skills, needs and/or gaps arising from changing internal and external conditions having cognisance of classes and subclasses of business and the financial product category for which it is authorised, approved or appointed.
- (4) An FSP, key individual and representative that is authorised, approved or appointed for a period of less than 12 months in a particular CPD cycle, must by the end of that CPD cycle complete a pro-rated minimum number of CPD hours calculated as follows:

$(X \div 12) \times Y = Z$	X = Number of annual required CPD hours
	Y = number of months authorised, approved or appointed during a particular CPD cycle
	Z = Required pro rata CPD hours

#### Reduction of CPD hours

34. (1) An FSP may pro rata reduce the CPD hours in respect of a representative for the period of time during which that representative is continuously absent from work if that absence is due to
- (a) maternity, paternity or adoption leave;
  - (b) long-term illness or disability; or
  - (c) the representative's responsibilities to care for a family member of that representative who has a long-term illness or disability.

(2) The reduced CPD hours must be calculated as follows:

$(X + 12) \times (12 - Y) = Z$	X = Number of annual required CPD hours
	Y = number of months absent from work in a particular CPD cycle
	Z = Required pro rata CPD hours

- (3) An FSP may not reduce the CPD hours of a representative for consecutive CPD cycles except where the absence referred to in subsection (1) commenced in a particular CPD cycle and uninterruptedly continues into the consecutive CPD cycle.
- (4) The reduction referred to in subsection (3) may only be applied for a maximum period of three consecutive CPD cycles.