

# Continuing Professional Development (CPD)

# A Practical Guide

April 2023

The purpose of this Practical Guide (“Guide”) is to aid the Members of the ASHK (“Members”) in their understanding of their CPD obligations, so as to assist them in determining the volume and nature of meaningful activities they wish to undertake that will fulfil their such obligations.

#### Disclaimers:

- This Guide was prepared by the Professional Matters Committee, based on the CPD requirements which are current at the time of writing. This guide does not form part of “*ASHK By-Law: Continuing Professional Development (“CPD”)*”.
- Members are ultimately responsible for choosing CPD activities and justifying whether such activities can meet CPD requirements.
- Members should be aware that CPD requirements may change from time to time. Members should themselves up to date with such changes.

## 1. At a glance

The CPD year coincides with the calendar year, running from 1 January to 31 December (both dates inclusive).

All Associate and Fellow Members (except “retired”<sup>1</sup> Members) are required to meet CPD requirements.

CPD requirements differ by whether a Member is in a “statutory role”:

Fellows with a statutory role in Hong Kong	Other Fellows and Associates
At least 30 hours per calendar year, including: <ul style="list-style-type: none"> <li>● At least 20 hours must relate to the Member’s main practice area (of which:               <ul style="list-style-type: none"> <li>- at least 10 hours should be gained at external events while</li> <li>- at least 6 hours must be Hong Kong specific); and</li> </ul> </li> </ul>	At least 20 hours per calendar year, including: <ul style="list-style-type: none"> <li>● At least 15 hours must relate to the Member’s main practice area; and</li> </ul>
<ul style="list-style-type: none"> <li>● At least 2 hours must relate to professionalism</li> </ul>	<ul style="list-style-type: none"> <li>● At least 1 hour must relate to professionalism</li> </ul>

## 2. Interpretation

### 2.1 Statutory Role

A “statutory role” is an Appointed Actuary, a Pensions Actuary or a General Insurance Reserve signing actuary.

### 2.2 Main Practice Area (“MPA”)

Your MPA depends on your job and can fall into one (or more) of the areas of work listed in the Membership section of the ASHK website. The full list is reproduced as follows:

Life Insurance	General Insurance	Finance / Investment
<ul style="list-style-type: none"> <li>● Product Development / Marketing / Sales</li> <li>● Statutory Valuation</li> <li>● Financial Investigation / Profit Testing / Valuation</li> <li>● Corporate Planning</li> <li>● Reinsurance</li> <li>● Risk Management</li> <li>● Others</li> </ul>	<ul style="list-style-type: none"> <li>● Reserving</li> <li>● Pricing</li> <li>● Risk Management</li> <li>● Financial Planning / Management Information</li> <li>● Reinsurance</li> <li>● Others</li> </ul>	<ul style="list-style-type: none"> <li>● Investment Management</li> <li>● Risk Management</li> <li>● Sales / Marketing</li> <li>● Product Development</li> <li>● Performance Measurement</li> <li>● Others</li> </ul>

<sup>1</sup> The criteria for a “retired member” are set out on the ASHK website under the “Membership” section.

Retirement Schemes	General Corporate Management	Others
<ul style="list-style-type: none"> <li>● Scheme Manager</li> <li>● Scheme Actuary</li> <li>● HR / Benefits</li> <li>● Investment</li> <li>● General</li> <li>● Others</li> </ul>		<ul style="list-style-type: none"> <li>● Actuarial Audit</li> <li>● Healthcare</li> <li>● Training / Education / Personnel</li> <li>● Regulatory</li> <li>● Information Technology</li> <li>● Other area</li> </ul>

In the event that your job straddles more than one practice area, you should apply your judgement and select your MPA accordingly<sup>2</sup>.

As set out in the previous section, minima apply to CPD relating to a Member’s MPA. Members are free to select CPD activities outside their respective MPAs so long as the minima are satisfied.

### 2.3 External event

An external event is an event that is offered by an organisation other than the Member’s employer and that the attendees are not limited to one company<sup>3</sup>. Online events are deemed “external” provided they satisfy these criteria.

Whether an event is deemed “external” is important only to the extent that Fellow Members with a statutory role in Hong Kong are required to gain minimum CPD hours at external events.

### 2.4 Professionalism CPD

CPD activities relating to professionalism are those which enhance a Member’s ability to abide by the Professional Conduct Code. Such activities are typically earmarked as such. For example, the ASHK offers professionalism seminars from time to time. If it is necessary for a Member to attribute part of a CPD activity towards professionalism, the Member is responsible for justifying and documenting the basis for the apportionment.

## 3. Eligibility of CPD activities

Members need to exercise their own judgement in determining whether a certain CPD activity qualifies for being relevant to his/her MPA. When claiming an activity as eligible CPD relating to a Member’s MPA, the onus is on the Member to demonstrate the relevance.

<sup>2</sup> Your MPA may be (a) the area in which you spend the most time, (b) the area that is most representative of or consistent with your job title, or (c) the area that is most impactful in your job even if it does not take up most of your time.

<sup>3</sup> For example, a seminar given by an external consulting firm specifically to the actuarial team of a company would not qualify as an “external event”. On the other hand, the same seminar that is open to the employees of other companies or to the general public is considered an “external event”.

### 3.1 Organised activities

CPD activities are not limited to events organised by the ASHK. Members are encouraged to explore CPD activities offered by other actuarial bodies, as well as other organisations.

### 3.2 Volunteering for the ASHK

Volunteer activities for the ASHK and other organisations may count towards CPD. However, volunteer activities such as organising social events are not regarded as CPD.

### 3.3 Presentations

Time spent in preparing and delivering an actuarial presentation at an event (including internal company event) may count towards CPD.

### 3.4 Self learning

Self-learning may include such activities as reading articles in publications, partaking in seminars/webinars, watching videos or conducting own researches. Time spent undertaking these activities within or outside of business hours can count towards CPD provided that the learning objectives and outcomes of these activities are documented, and the evidence is capable of being independently audited.

#### 3.4.1 Standard of Documentation

Members should document learning objectives and outcomes for individual articles read; a blanket outcome for reading a collection of publications would not be acceptable<sup>4</sup>.

The learning objective should set out what the Member seeks to learn by undertaking the self-learning activity, while the learning outcome(s) should contain a description of the benefits gained from the activity in sentence format or a list of bullet points summarising the learnings.

The expectation is each half day of activity should lead to half a page of learning outcomes. Reading an article should take at least an hour to be considered valid with the learning outcome summarised in a short paragraph.

### 3.5 In-house activities

Training arranged by a company exclusively for its employees, agents, sub-contractors, service providers, board Members and other parties related to the company which is not available to parties outside the company constitutes "in-house training".

In-house training may be compulsory or optional and can cover a wide range of subject matters. It can also take many forms, such as seminars, online training courses, and videos. Members should exercise their judgement in determining whether an in-house training can be classified as an eligible CPD activity and be in a position to defend their judgement in the event of a CPD audit. The Member should also retain evidence of attendance.

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<sup>4</sup> For example, reading the daily Financial Times or Wall Street Journal and stating that "they enhance my financial knowledge" as the learning outcome is not acceptable.

Some in-house events clearly qualify as eligible CPD<sup>5</sup> while the eligibility of other in-house events is less clear. In-house training attended by more than one functional area may qualify as CPD<sup>6</sup> while others may not<sup>7</sup>. In general, company-wide in-house training<sup>8</sup> on topics which are non-actuarial in nature is not acceptable as CPD.

#### 3.5.1 In-house training - Promotion

Companies may require employees to undergo compulsory training upon promotion to a certain grade (e.g. a manager being promoted to senior manager). Such training is aimed at affording attendees a better understanding of their responsibilities and equipping them with the skills and knowledge so that they can better perform in their new role.

Where such training is cross-functional/cross-disciplinary (i.e. where attendees include staff Members from functional areas other than actuarial) and/or non-technical in nature, it may not be admitted as eligible CPD relating to the Member's MPA.

#### 3.5.2 Other in-house activities

Team building events are generally not eligible CPD. If a team building event has actuarial content, then a Member may claim those part(s) of the event as CPD.

### 3.6 Studying towards Fellowship

Associate Members studying towards actuarial fellowship should be able to claim the time for studying, completing assignments and sitting examinations as eligible CPD. The eligibility of such activities can vary by actuarial body, and it is expected that the hours claimed by the Member should be consistent across actuarial bodies<sup>9</sup>.

### 3.7 Soft skills training

Soft skills training may relate to such topics as communication, management<sup>10</sup> and such other training aimed at improving soft skills. Members are encouraged to undertake such CPD activities, but should be aware that such training is typically not actuarial in nature and do not fall into any practice area.

### 3.8 Appropriateness of CPD activity

While it is important that Members undertake sufficient activities to meet CPD requirements, it is equally important that Members undertake CPD activities commensurate with their training, experience and roles<sup>11</sup>. The ASHK reserves the right to reject a CPD activity which is deemed inappropriate for an individual Member.

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<sup>5</sup> For example, compulsory training on HKRBC attended by all actuarial staff of a company.

<sup>6</sup> For example, an in-house seminar on new accounting standards attended by the actuarial valuation team and the finance department.

<sup>7</sup> For example, a compulsory online training on Environmental, Social and Governance (ESG) to afford all employees of a company a better understanding of the issues and the company's stance, strategy and policies.

<sup>8</sup> For example, in-house training on such topics as workplace health and safety, anti-money laundering, work-life balance, etc would not be admissible CPD.

<sup>9</sup> Associate Members may only be able to claim the time associated with the first attempt at an examination as eligible CPD, and an upper limit of CPD hours per attempt may also apply.

<sup>10</sup> Management training may include time management, project management, staff management and general management.

<sup>11</sup> For example, an Appointed Actuary attending an "Introduction to Actuarial Pricing" course would not be appropriate CPD.

## 4. Meeting your CPD obligations

It is natural for a Member's role and/or status to change through career progress. Personal circumstances can also change over time, potentially multiple times during a year. To help dispel potential misconceptions, the following are some scenarios and the related clarification on CPD requirements:

Scenario	CPD Requirement
Part-time employment	The same CPD requirements apply regardless of whether a Member is working full time or part time. Even when a Member is working part-time, it is reasonable for an employer to expect a Member to be as professional and competent an actuary as if the Member is working full time.
Change in Membership category	If a Member's category changed from "Student" to "Associate" during the calendar year, the CPD requirements in the year of change would be waived. Such waiver is not applicable when an Associate Member becomes a Fellow Member, given these two Membership categories carry the same CPD requirements.
Extended absence from employment	A Member voluntarily <sup>12</sup> taking time off employment is required to fulfill the full CPD requirements. Exemption will only be granted if the Member is away continuously throughout the current year from any involvement in actuarial or related work, but allowance may be granted on a pro-rata basis depending on the individual circumstances. Any Member suffering from extended sickness or injury thereby preventing participation in CPD activities may be exempt from CPD requirements on a pro-rata basis after personal circumstances have been considered.
Statutory role	As mentioned in Section 1 above, a "statutory role" entails higher CPD requirements. A Member taking on or relinquishing a statutory role part way through the calendar year is required to fulfil the higher CPD requirements on a pro-rata basis over the period during which he/she was in the statutory role.
Membership reinstatement <sup>13</sup>	For a reinstated Member, the CPD requirement would be on a pro-rata basis in the first calendar year during which the reinstatement occurs and differs by whether the Member holds a statutory role. The pro-rated requirements depend on the month following Membership reactivation.

<sup>12</sup> For example, career break, sabbatical, and maternity/paternity leave

<sup>13</sup> Former ASHK members requesting reinstatement should be aware that they may need to provide the details of their CPD activities from membership lapsation up to the time when they request reinstatement. (Footnote: This measure serves to prevent the situation when a member attempts to circumvent an anticipated breach of CPD requirement by selectively lapsing his/her membership and subsequently requesting reinstatement)

Members in senior management or non-actuarial roles	As career progresses, a Member may find him/herself working in senior management or non-actuarial role. Even though such roles may not involve actuarial skills or qualifications, the Member is still required to complete CPD. As an ASHK Member, staff Members and Members of the public will expect the Member to continue to meet the high standards associated with being a Member of a widely recognised international professional body. Therefore, to safeguard public interest and to uphold the reputation of the ASHK and the actuarial profession, it is appropriate for the Member to undertake CPD activities which are relevant to that role.
Retirement	In general, only “retired” Members are exempt from CPD requirements. If a Member’s status changes to “retired” part way through the calendar year, exemption MAY be granted on a pro-rata basis after the Member’s personal circumstances have been considered. If a “retired” Member re-enters full- or part-time employment, the Member will need to meet the relevant pro-rated CPD requirements in the first year of re-entering the workforce.

The pro-rated CPD requirements are shown in the Appendix.

## 5. Record Keeping & evidence

5.1 Keeping records of CPD activities is as important as undertaking such activities. Failure to evidence compliance with the CPD scheme is tantamount to failing to comply with the CPD scheme.

5.2 For each verifiable event, Members are required to retain documentary proof for 2 years after attendance. Common forms of acceptable evidence include (but are not limited to):

- Certificate vouching attendance and completion of a course or activity with the hours attended;
- Communication (e.g. email) from the organisers of the event confirming both attendance at the event and the hours attended;
- Minutes of a meeting that confirm attendance in person or remotely;
- A copy of the attendees list from an event;
- Written statement from another ASHK Fellow or the Member’s employer vouching for attendance hours at an eligible activity; and
- Hard copies of lecture notes or presentations collected at the event<sup>14</sup>.

A payment receipt will not by itself be acceptable as it does not offer proof of attendance.

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<sup>14</sup> Electronic copies downloadable from the event website will not be acceptable.

## Appendix: Pro-rated CPD requirement

For a reinstated Member, a formerly retired Member re-entering the workforce or a Member returning to work after extended absence with a statutory role, the pro-rated CPD requirement depends on the calendar month:

First Year (The month following Membership reactivation)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total CPD Hours Required, Including:</b>	30	27.5	25	23	20	17.5	15	12.5	10	Waived		
• <b>Main Practice Area:</b>	20	18	17	15	13	12	10	8	7			
- External	10	9	8	8	7	6	5	4	3			
- Hong Kong	6	6	5	5	4	4	3	3	2			
• <b>Professionalism</b>	2	2	2	2	2	2	2	2	2			

For a reinstated Member, a formerly retired Member re-entering the workforce or a Member returning to work after extended absence not holding a statutory role, the pro-rated CPD requirement depends on the calendar month:

First Year (The month following Membership reactivation)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total CPD Hours Required, including:</b>	20	18	17	15	13	12	10	8	7	Waived		
• <b>Main Practice</b>	15	14	13	11	10	9	7.5	6	5			
• <b>Professionalism</b>	1	1	1	1	1	1	1	1	1			

For a retiring Member with a statutory role, the pro-rated CPD requirement depends on the calendar month of retirement:

First Year (The month following Membership reactivation)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total CPD Hours Required, Including:</b>	Waived			10	12.5	15	17.5	20	23	25	27.5	30
• <b>Main Practice Area:</b>				7	8	10	12	13	15	17	18	20
- External				3	4	5	6	7	8	8	9	10
- Hong Kong				2	3	3	4	4	5	5	6	6
• <b>Professionalism</b>				2	2	2	2	2	2	2	2	2



For a retiring Member not holding a statutory role, the pro-rated CPD requirement depends on the calendar month of retirement:

First Year <i>(The month following Membership reactivation)</i>	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>Total CPD Hours Required, Including:</b>	Waived			7	8	10	10	12	13	17	18	20
• <b>Main Practice</b>				5	6	7.5	7.5	9	10	13	14	15
• <b>Professionalism</b>				1	1	1	1	1	1	1	1	1