



強制性公積金計劃管理局  
MANDATORY PROVIDENT FUND  
SCHEMES AUTHORITY

**GUIDE TO  
CONTINUING PROFESSIONAL DEVELOPMENT  
FOR  
MPF INTERMEDIARIES**

Second Edition  
October 2005

Hong Kong

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## **1. Purpose**

- 1.1 This Guide is applicable to all MPF intermediaries, whether corporate or individual, who are regulated by the four regulators, namely, the Mandatory Provident Fund Schemes Authority (“MPFA”), the Monetary Authority (“MA”), the Securities and Futures Commission (“SFC”) and the Insurance Authority (“IA”) (including the self-regulatory organizations of the insurance industry), and involved in selling MPF schemes or advising clients on constituent funds or underlying pooled investment funds of MPF schemes.
- 1.2 This Guide aims to provide general guidance for MPF intermediaries to comply with the MPF Continuing Professional Development (“CPD”) requirements.
- 1.3 This Guide does not have the force of law and should not be interpreted in any manner which would override the provisions of any applicable laws, codes or other regulatory requirements. However, a failure to follow this Guide may reflect adversely on the fitness and properness of an MPF intermediary to continue to be registered.

## **2. Introduction**

- 2.1 There is a need for MPF individual intermediaries (“individual intermediaries”) to continuously update their knowledge about the MPF system and related areas and improve their skills so as to equip themselves with the requisite knowledge and maintain their professional competence.
- 2.2 Although all individual intermediaries have to pass an MPF intermediaries examination before they are qualified to be registered, the examination only covers the basic concepts of the MPF system. With the MPF system being a new system, there are bound to be changes in the system in the light of operational experience. Besides, as the MPF system interweaves with other systems in the financial market, changes in the banking, insurance, securities and retirement schemes industries could affect the system one way or another. In today’s world,

where changes are rapid and interspersed, changes in other seemingly unrelated fields such as technology and communication could have an impact on the MPF system, albeit sometimes small or indirect. The introduction of a policy of CPD requirement would provide a degree of assurance to MPF scheme participants and the public at large that MPF intermediaries remain fit and proper to be registered.

### **3. Objectives of Continuing Professional Development**

3.1 CPD provides a systematic approach to improve and broaden the knowledge and skill of individual intermediaries so that they can successfully carry out their duties competently and professionally. The objectives of the CPD programme are:

- (a) to maintain and enhance the technical knowledge and professional expertise of individual intermediaries about the MPF system and related areas; and
- (b) to provide reasonable assurance to MPF scheme participants and the public at large that individual intermediaries remain fit and proper to be registered.

### **4. CPD Requirement**

4.1 The CPD requirement will be imposed upon all intermediaries, that is, both corporate and individual intermediaries.

4.2 For the purpose of this Guide, corporate intermediary refers to a sole proprietorship/partnership/limited company that is responsible for the supervision of the selling/advising activities of MPF schemes and includes a promoter that appoints or employs individual intermediaries to sell or advise on MPF schemes promoted by the promoter. Individual intermediary refers to an officer/agent/employee who engages in selling MPF schemes or advising clients on constituent funds or underlying approved pooled investment funds of MPF schemes.

## **5. Minimum CPD Requirement on the Individual Intermediaries**

5.1 An individual intermediary is required to undertake a minimum of 10 hours of CPD activities in each calendar year, with at least 20% of the minimum CPD hour requirement devoted to core subject areas. The MPFA will regularly review the requirements for CPD hours to ensure that such requirements meet general market needs.

## **6. Means of Achieving CPD**

6.1 CPD hours are time spent by the individual in undertaking CPD activities. CPD activities should be of relevance to the functions to be performed by the individual intermediaries and be of significant intellectual and practical content which involves interaction with other individuals.

6.2 As with all new systems, there could be many developments in the years to come in respect of the MPF system. It is therefore required that at least 20% of the minimum CPD hour requirement be devoted to the core subject areas listed in paragraph 6.4. This is to ensure that MPF intermediaries would keep abreast of developments in the MPF legislation and the MPF system.

6.3 Only structured/interactive activities (such as attendance at courses, seminars and conferences involving interaction/more than one person) would be credited with CPD hours and each hour of CPD activities would be credited with one CPD hour. CPD activities could take the form of attending courses, conferences, seminars and lectures. In addition, distance learning and self-study requiring submission of assignments would also be regarded as acceptable CPD activities. For distance learning, the number of hours recognized would be equal to the number of study hours required or the hours spent on studying. However, if the activities are in fact repeated activities of the same nature/content, they would not be credited with additional CPD hours.

6.4 A relatively diverse field of knowledge and skills would be acceptable for the purpose of CPD requirement, with at least 20% of the minimum CPD hours to be devoted to core subject areas. Core subject areas include:

- (a) MPF or related legislation;
- (b) relevant codes and guidelines; and
- (c) latest developments of the MPF system.

6.5 Non-core subject areas include:

- (a) financial products;
- (b) insurance;
- (c) risk management and control;
- (d) actuarial science;
- (e) management/supervisory skills;
- (f) computer knowledge;
- (g) economic/financial analysis;
- (h) financial reporting;
- (i) language; and
- (j) communication skills.

6.6 In line with the decentralized and coordinated approach in regulating MPF intermediaries, CPD credits/hours earned under the IA, the SFC or the MA regimes are to receive due recognition from the MPFA as non-core CPD hours. This would avoid subjecting the individual intermediaries to excessive CPD requirements, especially if they have registration with the three regulators.

## **7. CPD Activity Providers**

7.1 Core CPD activities can only be offered by:

- (a) MPFA; or
- (b) the relevant regulators (IA, MA, SFC); or

- (c) institutions or professional bodies recognized by the MPFA as core CPD activity providers; or
- (d) institutions of which the activities must be accredited under IA' s CPD programme; or
- (e) recognized institutions approved under SFC' s Continuous Professional Training programme.

CPD activities offered by the above organizers must be related to core subject areas mentioned in paragraph 6.4 in order to earn core CPD hours. All CPD activities must obtain prior recognition from the MPFA in order to be recognized as core CPD activities.

- 7.2 For non-core subjects, attendance at activities organized by the relevant regulators, institutions or professional bodies recognized by the MPFA is encouraged but not mandatory. However, the corporate intermediary is responsible for ensuring that the activities participated by its sponsored individual intermediaries are of appropriate relevance and standard for CPD.

## **8. Maintaining CPD records and Monitoring of CPD Compliance**

### **8.1 Responsibilities of Corporate Intermediary**

- (a) A corporate intermediary is responsible for:
  - ensuring its responsible officer(s) and those individual intermediaries of whom it acts as primary sponsoring corporation comply with the CPD requirement;
  - maintaining sufficient records of CPD activities undertaken by its sponsored intermediaries and keeping such records for a minimum period of three years; and

- reporting in the annual return to the MPFA, those individual intermediaries, of whom it acts as the primary sponsoring corporation, who had failed to achieve the minimum CPD hours in the preceding calendar year.
- (b) If an individual intermediary first registers with the MPFA within three months before the end of the calendar year, the reporting of CPD compliance by the respective corporate intermediary for that year can be made in the annual return of the following calendar year.

For example, if an individual intermediary is first registered in October 2002, the requisite CPD hours for the period covering October to December 2002, calculated on a pro-rata basis, are three hours (please refer to the table in paragraph 8.2(a) below). However, the reporting of which can be carried forward to 2003. In other words, the corporate intermediary has to ensure that the individual intermediary has achieved a total of 13 CPD hours by the end of 2003 and report his compliance to the MPFA in the annual return of 2003.

## 8.2 Responsibilities of Individual Intermediary

- (a) An individual intermediary is responsible for:
- reporting to his primary sponsoring corporation on his CPD activities. The individual intermediary is to report on his attainment of CPD hours in the preceding calendar year. For example, if CPD requirement is implemented in January 2002, the first reporting period will cover January to December 2002. For those who first registers after January 2002, the requisite CPD hours will be calculated on a pro-rata basis, rounded to the nearest integer, as indicated in the following table:

Month of registration	Total requisite CPD hours	Requisite core CPD hours	Requisite non-core CPD hours
January	10	2	8
February	9	2	7
March	8	2	6
April	8	2	6
May	7	1	6
June	6	1	5
July	5	1	4
August	4	1	3
September	3	1	2
October	3	1	2
November	2	0	2
December	1	0	1

- retaining appropriate records of his CPD activities for at least a period of three years. This is to facilitate the relevant regulators in monitoring MPF intermediaries' compliance with CPD requirement. The records should be produced as and when required by the relevant regulators.
- (b) If an individual intermediary first registers with the MPFA within three months before the end of the calendar year, the CPD requirement for that year can be carried forward to the next calendar year.

For example, if an individual intermediary is first registered in October 2002, the requisite CPD hours for the period covering October to December 2002, calculated on a pro-rata basis, are three hours (one of which being core CPD hour). These three CPD hours for 2002 can be carried forward to 2003. In other words, he has to achieve a total of 13 CPD hours (three of which being core CPD hours) by the end of 2003.

- (c) Where an individual intermediary changes employment from one corporate intermediary to another within a calendar year, CPD hours earned during the last employment can be carried forward to the new employment. However, any excess CPD hours accumulated within a calendar year cannot be carried forward to the following year. The individual intermediary is responsible for notifying his new employer regarding the number of CPD hours attained in his previous employment and providing evidence if required. If an intermediary failed to comply with the CPD requirement during his period of registration, it is unlikely that the MPFA would approve his re-application as an MPF intermediary upon his change of employment.

8.3 In line with the approach used in supervision of MPF intermediaries where each regulator would be responsible for monitoring the activities of the corporate intermediaries of whom it acts as the primary regulator, the relevant regulators will monitor their respective MPF intermediaries' compliance with CPD requirement.

## **9. Consequence of Non-Compliance**

9.1 Failure to comply with CPD and record keeping requirements will cast doubt on one's fitness and properness to be an MPF intermediary.

9.2 Cases of non-compliance may be referred to the relevant regulators for consideration of appropriate disciplinary action. Offenders may have their names removed from the MPF Intermediaries Public Register.

## **10. Effective Date**

10.1 The requirements set out in this Guide shall apply from 1 October 2005.