

## **MANDATORY PROVIDENT FUND SCHEMES AUTHORITY**

### **VI.4 Guidelines on Continuing Training for Subsidiary Intermediaries**

#### **INTRODUCTION**

aSection 34ZP(1) of the Mandatory Provident Fund Schemes Ordinance (“the Ordinance”) provides that the Mandatory Provident Fund Schemes Authority (“the MPFA”) may specify the training to be undertaken by individuals who are subsidiary intermediaries and the time within which that training is to be completed, as the MPFA considers necessary for ensuring that those individuals will be able to comply with the performance requirements.

2. Section 6H of the Ordinance provides that the MPFA may issue guidelines for the guidance of approved trustees, service providers, participating employers and their employees, self-employed persons, regulated persons and other persons concerned with the Ordinance.

3. The MPFA hereby issues guidelines:

- (a) to set out the specified training to be undertaken by individuals who are subsidiary intermediaries and the time within which that training is to be completed; and
- (b) to provide guidance for individuals who are subsidiary intermediaries for complying with the specified training.

#### **EFFECTIVE DATE**

4. The Guidelines shall become effective on 1 January 2013.

**SPECIFICATION OF CONTINUING TRAINING REQUIREMENTS**

5. Pursuant to section 34ZP(1) of the Ordinance, the MPFA hereby specifies that the training to be undertaken by individuals who are subsidiary intermediaries consists of the continuing professional development requirements set out in paragraphs 6 to 9 (“Continuing Professional Development requirements”) which must be completed within the time specified in paragraph 10.

**CONTINUING PROFESSIONAL DEVELOPMENT (CPD) REQUIREMENTS**

6. An individual who is a subsidiary intermediary is required to attend 10 hours of CPD activities between 1 January and 31 December of each calendar year, of which 2 hours must be core CPD activities. Provided that where an individual is registered by the MPFA as a subsidiary intermediary on or after 1 April in a calendar year, the total number of hours of core CPD activities and/or non-core CPD activities, and the number of hours of core CPD activities are pro-rated as follows:

<b>Date of registration</b>	<b>Total hours</b>	<b>Hours of core CPD activities</b>
1 April to 30 June	8	2
1 July to 30 September	6	2
1 October to 31 December	0	0

7. In calculating the number of hours of core CPD activities or non-core CPD activities undertaken in a calendar year, any hour spent on training required by the MPFA pursuant to section 34ZP(2) of the Ordinance for the purpose of completing the CPD requirements for the preceding calendar year will be disregarded.

8. Core CPD activities are:
- (a) attending or delivering a course, seminar, lecture or conference approved by the MPFA as core CPD activities on a core subject (the list of approved core CPD activities will be published on the MPFA website).
  - (b) A core subject involves training in the following areas:
    - (i) the Ordinance;
    - (ii) any codes and guidelines issued by the MPFA; and
    - (iii) any topics related to the understanding of MPF System, MPF products and/or relevant concepts not covered in (i) and (ii), which are relevant to compliance with the performance requirements to be met by a subsidiary intermediary as set out in the Ordinance (e.g. reference materials and various tools on the MPFA website).
9. Non-core CPD activities are:
- (a) (i) attending or delivering a course, seminar, lecture or conference on a non-core subject which is relevant to compliance with the performance requirements by a subsidiary intermediary; or
  - (ii) any continuing training activity which is approved or accepted by an industry regulator, the Insurance Agents Registration Board or the relevant insurance broker body for the purpose of maintaining the Type B regulatee status of the subsidiary intermediary.

- (b) A non-core subject involves training in the following areas:
  - (i) financial products;
  - (ii) investment;
  - (iii) insurance;
  - (iv) financial planning;
  - (v) risk management;
  - (vi) management/supervisory skills;
  - (vii) computer knowledge;
  - (viii) economic/financial analysis;
  - (ix) law and legal knowledge;
  - (x) basic accounting theories; and
  - (xi) communication skills.

10. The CPD requirements must be completed by 31 December in the year under report.

## **GUIDANCE ON CONTINUING TRAINING REQUIREMENTS**

11. The number of hours of CPD activities required to be completed in paragraph 6 is not affected by any change of attachment to a principal intermediary by the subsidiary intermediary during a calendar year.

### *Responsibilities of a Subsidiary Intermediary*

12. In addition to complying with the CPD requirements, an individual who is a subsidiary intermediary is responsible for:

- (a) retaining records of his activities relating to compliance with the CPD requirements (such as attendance certificates issued by activity providers) for at least three years to facilitate the MPFA in monitoring his compliance with the CPD requirements. The records should be produced when required by the MPFA; and

- (b) reporting on his compliance with the CPD requirements to the MPFA in an annual return within 1 month after the last day of the reporting period (i.e. by 31 January every year).

13. An individual who is a subsidiary intermediary is required to comply with the CPD requirements for so long as he remains registered as a subsidiary intermediary. This includes any period of suspension of registration as a subsidiary intermediary, suspension of approval of attachment to a principal intermediary, or revocation of approval of attachment to a principal intermediary.

## **DEFINITION OF TERMS**

14. Where a term used in the Guidelines is defined in the Ordinance or the subsidiary legislation then, except where specified in the Guidelines, that term carries the meaning as defined in the Ordinance or the subsidiary legislation.