

CONTINUOUS PROFESSIONAL DEVELOPMENT (CPD)

"STAFF SENSITIZATION FORUM"

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Year	Certification Journey: Where we have come from
Sep 17 2014	MOU with the Chartered Institute for Securities & Investment (CISI) for the introduction of SICP under joint funding by the Authority and the FSDA
Nov 9 2015	Authority issues a circular to all market licensees on informing them of the certification and competency standards to be adopted pursuant to Regulation (19)3 of the Capital Markets (Corporate Governance) (Market Intermediaries) Regulations 2011;
November 27, 2015	Select CMA staff sit for pilot exams for IISI
April 21 2016	Official launch of certification in Kenya
August 12, 2016	Select CMA staff sit for Regulations and Market Practice exams
6 th December 2016	Select CMA staff sit for IISI
Jan 7 2017	Practitioners with more than 10 years exempt from certification (grandfathering)
Jan 7 2017	Deadline for all industry professionals to comply with Stage one certification
April 7 th , 2017	Select CMA staff sit for Regulations and Market Practice exams
Aug 21 2017	Deadline for all industry professionals to comply with Stage 2.
Jan 18 2018	Certification Award Ceremony
Jan 18 2018	Discussion being about the need for CPD
June 11 to 13 th , 2019	CPD Stakeholder Engagements

Where we are



- Over 2,500 candidates have sat for the SICP exams
- As of end of Q3 2018/19 898 have passed level 1 and 592 have passed level 2
- 58 CMA staff have passed Level 1
- 10 CMA staff have passed level 2
- 2 CMA staff have passed IFQ
- One CMA staff has passed Global Securities



What next



- Introduction of CPD for those SICP certified and those who have been grandfathered.
- Sustain a highly skilled talent pool;
- Engagement with investors to be consistent with most current information;
- To be facilitated by service provider/s accredited by the CMA.



- “Target employees” are all employees of a market intermediary Licenced under the provision of Part IV of the Capital Markets Act who have direct dealings with clients and/or trading activities on behalf of the clients as well as influence or advice clients either directly or indirectly.

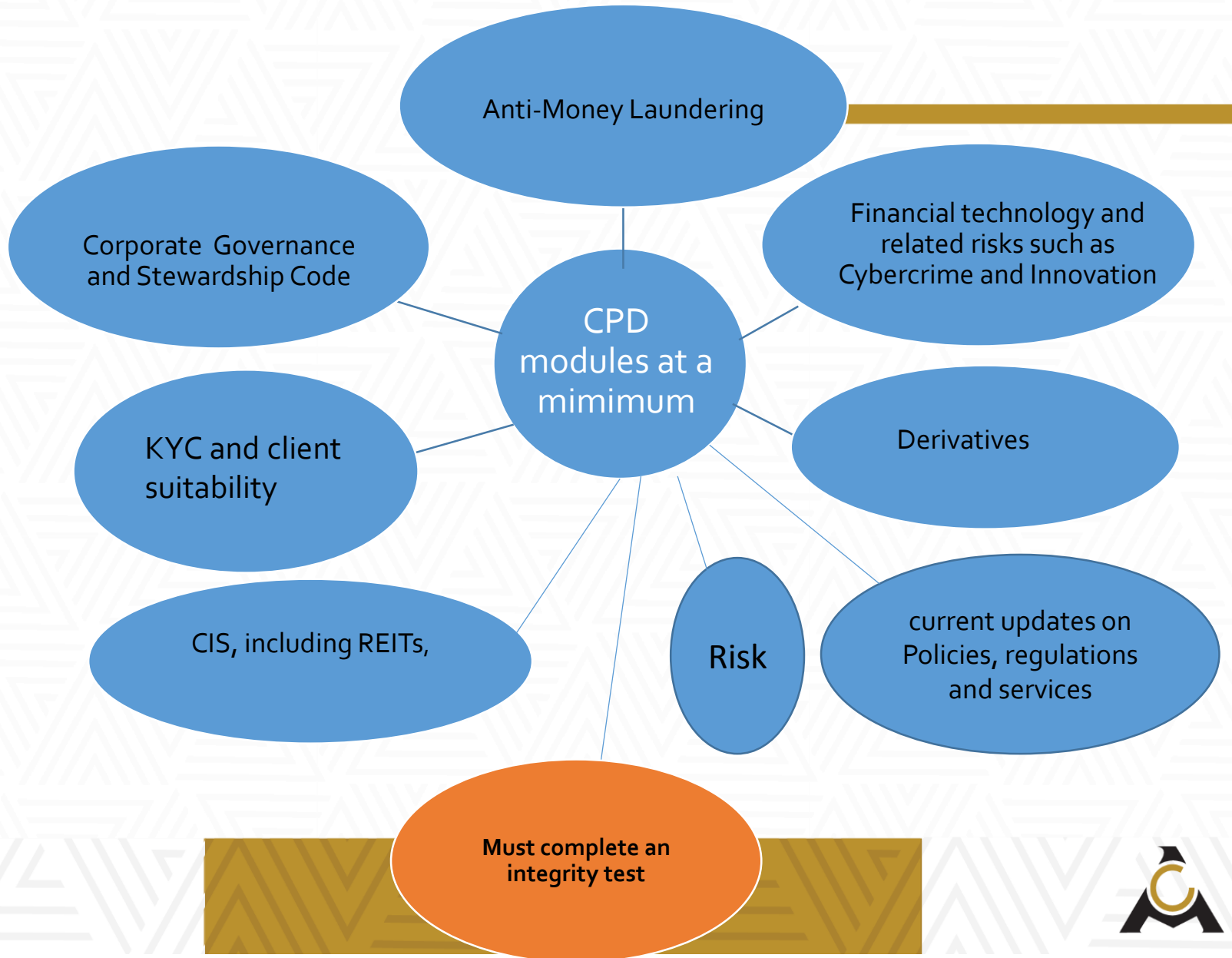


General CPD Requirements

- 1 Target employees will be required to complete specific annual CPD
- 2 Specific for the Kenyan jurisdiction but will be implemented through service provider/s accredited by the Authority
- 3 Target employees will be required to complete a certain number of hours of CPD
- 4 CMA to approach service providers
- 5 Where applicable a CPD online platform may be developed by a service provider



General CPD Requirements



INTEGRITY

CHOOSING YOUR THOUGHTS

AND ACTIONS BASED ON

VALUES RATHER THAN PERSONAL GAIN

Day to day life examples of integrity

1. How's your time keeping?
2. What do you suppose they say about you when you leave the room?
3. How often do you partake in innuendo or humour that's a bit close to the edge?
4. Never betray a friend's trust even if you get in trouble.
5. Do not gossip or talking badly about someone
6. Don't let someone else take the blame for something you did.
7. If someone gives you confidential information ,never tell anyone what you know.
8. When it is obvious to you a relationship is over ,don't drag it out but discuss it openly.



Integrity Matters

- Non public information (hotel scenario) (inside information)
- Suitability (investor: choice of product against your advise (based on public information), good commission. one company or no deal. Good commission. Your firm is in trouble, almost going down)
- Dealing with emerging situations (You tell your friend, “Hey, I’ll meet you at Safari Park Hotel at 5:00.” You then find out at about 4.00pm that you have an internal meeting in the office that end at exactly 5.00pm in upper hill. What do you do?)

PROPOSED CPD MODALITIES

Structured

24 hours

**Non
Structured**

11 hours

**Total annual
hours**

35 Hours

Grace period

Will have until December 2020 to comply

Commencement

Target employees to comply by December 2020. New entrants in the market will be as per the anniversary date of certification.. Will then apply on an annual basis as of Jan 1st, 2021

Completion

Integrity test

Structured Vs Non Structured CPD

Structured	Unstructured
<ul style="list-style-type: none">• Corporate training• Membership CPD event• Training conferences, seminars, forums• Lectures and talks• Presenter/trainer at evidenced relevant events• Documented materials development on relevant content• Qualification exams which is relevant• Research• Mandatory integrity	<ul style="list-style-type: none">• Television, Podcasts, webcasts, live web streams that are verifiable through logs• Read relevant materials on electronic medium related to capital markets that is verifiable through logs• Professional networking session• On the job training• Supervised research for articles

To be facilitated by service provider/s accredited by CMA



CPD Logs

Record of Continuing Professional Development (CPD)

Name		School	
Course/ Event Title	Delivered By	Date	Impact

- All Licensed firms, in respect to their target employees will be required to maintain records of all structured and non structured CPD that is verifiable during inspections.
- All service providers will be required to have mechanism for logging in CPD hours and ensure records are available for CMA audit if need be.
- All target employees who complete their CPD can be randomly selected for audit by CMA.



Compliance



- Target employees who fail to meet the CPD requirements will have their membership suspended
- Target employees suspended will be prohibited from any involvement in prescribed aspects of the business of licensed firms.
- One of the benefit of meeting CPD requirement is that target employees will be up to date best practices while dealing with clients

Inadmissible CPD



- Appraisals/one-to-one meetings/performance reviews.
- Activities where no learning outcomes can be identified or recorded/ evidenced.
- Activities that are not relevant to current or evolving job role.
- Subjects not related to the financial services sector.
- Activities that are part of the normal day-to-day job role, rather than specific learning activities.
- Social/networking events.



Non Acceptable Evidence



- Invitation or confirmation of booking
- Invoice or confirmation of payment
- Calendar or diary entry
- Screen shot of internal or external CPD system
- Members response sent confirming intention to attend
- Copy of event programme
- Slides and notes
- Certificate without attendees full name



Guidance on Supporting CPD Evidence on Acceptable Evidence



- Title of activity.
- Name and surname of the member.
- The date the activity was undertaken (day, month and year), if more than one day, a date range needs to be included.
- The duration of the activity. Please note lunch/tea breaks should not be included in CPD hours.
- Score or grade if applicable (if exam or eLearning test).
- Specific confirmation of your attendance/participation after the activity has taken place.



Audits



- Service provider to have mechanism for audits
- CMA will reserve the right to reconfirm submitted CPD hours
- Service provider to meet stringent criteria for accreditation



Membership



- CISI and ICIFA are in discussion with CMA to be accredited service providers for CPD
- ICIFA is mandated by law to oversight ensure membership of all investment and financial analysts in Kenya
- CISI/CMA developed the SICP and which CISI is currently the only provider
- Institution to be accredited to be in the area of promoting professional standards
- Need for local and international dimensions – local circumstances and international practice
- **Discussion underway for mutual recognition to make CPD more affordable**



Frequently asked questions from stakeholder engagements



How CMA will ensure that the CPD service providers are reputable and not brief case outfits.

- Only reputable institutions such as ICIFA and CISI will be considered subject to a demonstration of quality content, sustainability and administration capabilities.

Will training by other institutions such as NSE specifically be recognized for CPD?

- Service providers will be expected to give clear guidance on how they will recognize third party trainings that are relevant to the capital markets. This includes trainings by NSE and CMA.
- Institution must have mechanism of providing evidence to target employees.
- CMA is working on modalities for the CPD provider (once accredited) to work with institutions in providing a mechanism for system log- ins.

Given than market practitioners already belong to other professional bodies that offer CPD such as LSK, ICPAK and ICIFA. Will this mean that there will now be an additional CPD for

- CPD taken from other professional bodies that meet the guidelines of the proposed content will be recognized. As an example, Governance from an LSK forum will count towards CPD hours.

<p>If I have ICIFA then do I need a CISI CPD in the event that they are accredited?</p>	<ul style="list-style-type: none"> • CMA will accredit CPD provider institutions. A target employee will therefore choose between the institutions. • Once an institution is selected, an Individuals will be required to meet the CPD requirement within the accredited institution.
<p>Is ICIFA and CISI working together on the program in the event that one of them is accredited?</p>	<p>Both institutions can either have a consortium of more than one or have an agreement with other accredited providers.</p>
<p>How will the hours from other professional bodies be recognized and if a professional body offers points as opposed to hours how will this be treated since CMA will require 35 CPD hours annually?</p>	<ul style="list-style-type: none"> • Accredited institutions are expected to recognize other training providers as well as meet the guidelines of the proposed CPD content. • Accredited institutions will be expected to have mutual agreements with the training providers.

<p>When will the CPD commence and how will the annual hours be determined?</p>	<ul style="list-style-type: none"> • (CMA will communicate the date of commencement.) • Proposal for the calendar year to run from a determined month for one year. (details in the way forward section below)
<p>What will happen for those who join within the CPD calendar year?</p>	<p>The CPD count will start from the next January 1st following your appointment with a licensee. As an example, a target employee joining a firm on April 2020 will have one year from January 1st, 2021 to complete the 35 hours of CPD.</p>
<p>Can non accredited institution training be considered as CPD hours?</p>	<p>As question 2 above.</p>
<p>How will CMA consider the cost of compliance for intermediaries?</p>	<p>CMA is very cognizant of the compliance cost and have encouraged discussions between ICIFA and CISI to either work together or have a formal mutual agreement. The Authority will also provide for the CPD provider to allow for log of CPD hours by other institutions that are relevant to capital markets.</p>
<p>If I have 40 hours from another financial professional body such as ICIFA, can the extra 5 hours be forwarded to the next CPD calendar year? CMA should consider a cap of CPD hours to carry over to the next year.</p>	<p>The Authority will engage service providers with a view to considering this in future.</p>
<p>What if I have 28 hours, can I do the balance of 7 hours in the next financial year?</p>	<p>The 35 CPD hours must be completed within the specified CPD calendar year.</p>

<p>How will CMA ensure that the CPD offered is not stale and static?</p>	<p>The Authority to monitor CPD content by the accredited provider on a frequent basis. The content provided by the provider must be incremental and expansive.</p>
<p>Must an individual complete all modules outlined in the presentation such as Governance, CIS, Derivatives, etc?</p>	<p>A provider must have the full set of modules but the individual need only do enough modules to meet their hours requirement subject to completing the integrity test annually.</p>
<p>How will audits be conducted?</p>	<ul style="list-style-type: none"> • The CPD service provider to have mechanism for audits. • CMA will reserve the right to reconfirm submitted CPD hours • Service provider to meet stringent criteria for accreditation
<p>Can watching a business program on television count as non-structured</p>	<p>Watching a business program cannot be evidenced as non-structured CPD and therefore it won't be considered. The ability to evidence completion of an activity will be one of the key factors in its eligibility.</p>

<p>Is CPD Relevant?</p>	<p>In order for Kenya to become the heart of African capital markets as well as the investment destination of choice, investment professionals must continue to be committed to furthering their knowledge and skill on a regular and consistent basis.</p> <p>This will also increase the confidence level in our markets that will translate into increased product uptake.</p>
<p>If I am over 60, will I still be required to undertake CPD?</p>	<p>CPD must be undertaken by all individuals that are conducting licensed business. As long as an individual is still doing business then they will be required to undertake CPD.</p>
<p>Can an individual adopt other CPD programs?</p>	<p>The service provider will require that the program meets the stipulated guidelines.</p>
<p>Can CMA events be considered for CPD hours</p>	<p>CMA events can be considered for CPD hours subject to guidelines from CPD providers.</p>
<p>Will CMA have an independent quality assurance institution?</p>	<p>The Authority and all accredited service providers will work with quality assurance bodies like Technical and Vocational Education and Training Authority (TVETA) for quality assurance.</p>

- Accredite service providers;
- Issue official circular outlining commencement of program;
- Work with service providers to develop publicity materials and post on website;
- Commence program;
- Launch ceremony;

THANK YOU

