

## CONTINUOUS PROFESSIONAL DEVELOPMENT FREQUENTLY ASKED QUESTIONS

#	Recommendation/Issues raised	General Response
1.	How will CMA ensure that the CPD service providers are reputable and not brief case outfits?	<ul style="list-style-type: none"> <li>• Only reputable institutions such as ICIFA and CISI will be considered subject to a demonstration of quality content, sustainability and administration capabilities.</li> </ul>
2.	Will training by other institutions such as NSE specifically be recognized for CPD?	<ul style="list-style-type: none"> <li>• 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.</li> <li>• Institution must have mechanism of providing evidence to target employees.</li> <li>• CMA is working on modalities for the CPD provider (once accredited) to work with institutions in providing a mechanism for system log- ins.</li> </ul>
3.	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 capital markets?	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.

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4.	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?	<ul style="list-style-type: none"> <li>• Accredited institutions are expected to recognize other training providers as well as meet the guidelines of the proposed CPD content.</li> <li>• Accredited institutions will be expected to have mutual agreements with the training providers.</li> </ul>
5.	What are the consequences of non- compliance?	<ul style="list-style-type: none"> <li>• Target employees who fail to meet the CPD requirements will have their respective membership suspended</li> <li>• Target employees who have their membership suspended will be suspended from any involvement in the business of the licensed firm. Members suspended will remain suspended, until their CPD requirements have been met.</li> </ul>
6.	If I have ICIFA then do I need a CISI CPD in the event that they are accredited?	<ul style="list-style-type: none"> <li>• CMA will accredit CPD provider institutions. A target employee will therefore choose between the institutions.</li> <li>• Once an institution is selected, an Individuals will be required to meet the CPD requirement within the accredited institution.</li> </ul>
7.	If I exceed my structured requirement of 24 hours and meet the 35 hours, can I be exempt from non-structured?	Target employees will be required to complete a maximum of 11 non-structured CPD and a minimum of 24 structured CPD. It therefore means

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		that one could do up to 35hours of structured CPD and none of unstructured hours and comply.
8.	Is ICIFA and CISI working together on the program in the event that one of them is accredited?	Both institutions can either have a consortium of more than one or have an agreement with other accredited providers.
9.	Who exactly is the CPD program targeting? Is it just client facing or everyone inclusive of back office?	The CPD is targeting all market practitioners eligible for the certification program in Kenya whether exempted or grandfathered.
10.	Which country was benchmarked to determine the 35 hours annually?	<p>CMA has been benchmarking with various jurisdictions.</p> <ul style="list-style-type: none"> <li>• In the UK, Advisers need to complete a minimum of 35 hours of continuing professional development each year for retail investment activities, of which 21 hours should be structured and 14 Non-structured.</li> <li>• In the U.S, FINRA administers Continuing Education in the form of two mandatory programs: <ul style="list-style-type: none"> <li>– <b>The Regulatory Element</b> for registered individuals to complete a computer-based training session administered through the FINRA CE Online Program within 120 days of the second anniversary of their initial registration date with a firm, and every three years thereafter. Registered individuals must score at least 72%. The</li> </ul> </li> </ul>

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		<p>average preparatory time to undertake the module is 5 hours of training.</p> <ul style="list-style-type: none"> <li>– <b>The Firm Element Program</b> which requires broker-dealers to establish a formal training program to keep covered registered persons up to date on job- and product-related subjects on an annual basis.</li> </ul> <p>Each broker-dealer must administer its Firm Element Continuing Education Program in accordance with its annual Needs Analysis and Written Training Plan, and maintain records documenting the content and completion of the program. The average preparatory time for the Firm Element is 67 hours.</p> <ul style="list-style-type: none"> <li>• The Malaysian qualifications offered by the Securities Industry Development Corporation (SIDC). A total of 20 CPD hours annually for Takaful agents and 30 hours for all others.</li> </ul>
11.	When will the CPD commence and how will the annual hours be determined?	<ul style="list-style-type: none"> <li>• (CMA will communicate the date of commencement.)</li> <li>• Proposal for the calendar year to run from a determined month for one year. ( details in the way forward section below)</li> </ul>

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12.	What will happen for those who join within the CPD calendar year?	The CPD count will start from the next January 1 <sup>st</sup> following your appointment with a licensee. As an example, a target employee joining a firm on April 2019 will have one year from January 1 <sup>st</sup> , 2020 to complete the 35 hours of CPD.
13.	Can non accredited institution training be considered as CPD hours?	As question 2 above.
14.	Should the CPD accredited provider offer an integrity test?	Yes. Provider must have an integrity test as one of their modules as a condition for accreditation.
15.	How will CMA consider the cost of compliance for intermediaries?	<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.</p> <p>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>
16.	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.	The Authority will engage service providers with a view to considering this in future.

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17.	What if I have 28 hours, can I do the balance of 7 hours in the next financial year?	The 35 CPD hours must be completed within the specified CPD calendar year.
18.	How will CMA ensure that the CPD offered is not stale and static?	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.
19.	Must an individual complete all modules outlined in the presentation such as Governance, CIS, Derivatives, etc?	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.
20.	Can innovation be included as a key module alongside Cybercrime?	This module will be renamed 'Innovation and related risks such as cybercrime'.
21.	Can items such as research, opinions in major print media count as unstructured CPD?	Yes, given the research and evidence presented.
22.	How will audits be conducted?	<ul style="list-style-type: none"> <li>• The CPD service provider to have mechanism for audits.</li> <li>• CMA will reserve the right to reconfirm submitted CPD hours</li> <li>• Service provider to meet stringent criteria for accreditation</li> </ul>

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23.	Can watching a business program on television count as non- structured	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.
24.	Is CPD Relevant?	<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>
25.	If I am over 60, will I still be required to undertake CPD?	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.
26.	Can an individual adopt other CPD programs?	The service provider will require that the program meets the stipulated guidelines.
27.	Can devolved events be considered so individuals do not all have to come to Nairobi	Yes, the program providers to make a provision to log in other CPD events regardless of County. In addition, online content is also offered.

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28.	Can CMA events be considered for CPD hours	CMA events can be considered for CPD hours subject to guidelines from CPD providers.
29.	Can Resource Persons events be considered for CPD hours?	Resource Persons events can be considered for CPD hours. The service provider will share more details of specific acceptable content and more administrative details during the official launch of CPD.
30.	Will CMA have an independent quality assurance institution?	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.

